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NATO Could Deploy 60,000 Troops for Peace Plan

AU0205155393 Paris AFP in English 1541 GMT 2 May 93

[Text] Brussels, May 2 (AFP)—The North Atlantic Treaty Organization (NATO) could deploy up to 60,000 troops in Bosnia-Herzegovina to implement the Vance-Owen peace plan, potentially its biggest operation since its creation in 1949, according to NATO and U.N. experts.

If requested by the United Nations, the troops would be deployed by the 16-member international defence grouping to implement the carving up of the former Yugoslav republic into 10 semi-autonomous republics, as set out under the plan.

The plan, devised by Yugoslav peace co-chairmen Lord Owen and Cyrus Vance, was signed Sunday [2 May] by Bosnian Serb leader Radovan Karadzic, conditional on its acceptance by the self-declared Bosnian Serb parliament due to meet on Wednesday [5 May].

It had already been signed by the Croatian and Moslem warring factions in the war-torn former Yugloslav republic.

NATO has given no specific official figures for the number of troops which would be deployed, although it has presented a number of scenarios to the United Nations.

Estimates of the numbers of troops needed, made by the authors of the plan and by military experts, vary between 15,000 and 60,000. This would make it the biggest operation mounted by NATO since it was founded in 1949.

According to sources within NATO itself, the number of troops required would be between 40,000 and 60,000, including 15,000 Americans, 5,000 Britains, and 5,000 French.

Eight or nine units of different sizes would be deployed in the 10 semi-autonomous regions envisaged by the plan, with the aim of separating the warring factions and confining them within those areas.

The Brussels-based defence grouping is already participating in the U.N.-backed Deny Flight operation to enforce the no-fly zone over Bosnia, and NATO warships are helping enforce U.N. sanctions against the rump Yugoslavia, Serbia and Montenegro.

In any new operation, NATO would use in particular its rapid reaction force command structure based in Bielefeld, Germany, to organize the operation.

The Supreme Allied Commander in Europe, U.S. General John Shalikashvili, said recently that if U.N. were to call on NATO to execute the plan, it would used its integrated command and control structures.

France is not part of the integrated NATO structure, but General Shalikashvili said arrangements could be made to include such countries if an operation to implement the Vance-Owen plan were established.

NATO Secretary-General Manfred Woerner indicated that non-NATO member countries, for example Russia, could participate in such an operation.

U.S. Secretary of State Warren Christopher is due to travel to NATO headquarters in Brussels during a European visit which he started Sunday in Britain. He is also due to travel to France, Russia and Germany.

Izetbegovic Praises Iranian Support

LD0305153193 Tehran IRNA in English 1425 GMT 3 May 93

[Text] Athens, May 3, IRNA—Bosnian President Alija Izetbegovic in a meeting Sunday with Iran's ambassador to Greece, Qasem Moheb'Ali, expressed his appreciation for Tehran's support to the Bosnian Muslims.

Izetbegovic said he looked forward for economic and commercial cooperation between the two countries once peace returns in the war-torn republic, an Iranian diplomatic source told IRNA.

The two men met soon after the signing of the U.N. peace plan in the Astir Palace Hotel. Izetbegovic left the Greek capital later today.

The Bosnian leader hoped that the Serbian side would implement the cease-fire agreement and approve the Vance-Owen peace plan.

Bosnia-Herzegovina faces enormous difficulties in future in reconstruction of the devasted country and in repatriation of millions of Muslim refugees, Izetbegovic pointed.

The Iranian ambassdaor expressed his conviction that a people who could withstand one year of brutal and naked aggression would certainly succeed in the reconstruction of their homeland.

The Islamic Republic of Iran during the meeting of the Organisation of Islamic Conference (OIC) in Karachi this week offered dlrs 20 million in aid for the Bosnian Muslims.

Zhelev Approves of Athens Peace Agreement

AU0305192293 Sofia BTA in English 1749 GMT 3 May 93

[Text] Sofia, May 3 (BTA)—Bulgarian President Zhelyu Zhelev expresses his hope that the meeting in Athens and the signature of the peace plan will help stop the hostilities at an earlier date and contribute to the settlement of the crisis in Bosnia-Herzegovina by political means, the spokesman for the president, Valentin Stoyanov, said today. The results of the meeting could turn into a step towards the gradual stabilization of the situation in the Balkans and the establishment of goodneighbourly relations among all Balkan states, Mr. Stoyanov said.

Bulgaria hails the signature of the Vance-Owen Peace Plan by the Bosnian Serbs, the Press Service of the Bulgarian Ministry of Foreign Affairs informed citing Deputy Foreign Minister Dimitur Ikonomov. It is realistic to expect that as a next stage, all parties involved in the conflict will join their efforts to establish peace in Bosnia-Herzegovina, which the international public, Bulgaria included, desires so much, Mr. Ikonomov said. However, to achieve this highly humane purpose, the goodwill shown at the meeting in Athens should be followed by specific steps aimed to stop the bloodshed and establish lasting peace "which Bulgaria has been striving to contribute to with its overall policy pursued in regard to the Yugoslav crisis," the Foreign Ministry's press release reads.

Military Cooperation With NATO Rejected

AU0405090493 Sofia KONTINENT in Bulgarian 28 Apr 93 p 6

[Atanas Mateev commentary: "Military Commitment to NATO Is Inadmissible"]

[Text] A National Assembly commission will probably discuss NATO's demand to receive air corridors over Bulgaria and airports for eventual NATO actions in former Yugoslavia.

It makes no difference whether this will take place on 28 April, as a source told KONTINENT, or later on. It is more important that contrary to all official claims on the part of the Bulgarian government and NATO alike, the issue becomes acute.

One should bluntly say: Bulgaria will by no means undertake anything that would commit it militarily to participation in the Yugoslav conflict. Against the background of the historical conditions in the Balkans and the characteristics of the conflict, this will amount to a state crime.

There is no reason for our country to participate in the international efforts to put an end to the conflict in former Yugoslavia, other than by observing the UN economic sanctions and morally denouncing the crimes committed by the sides to the conflict. Bulgaria is correct in doing so, according to the general opinion.

Bulgaria's participation in the military operations aimed at stopping the conflict, or its cooperation in such actions, is inadmissible for several reasons.

The present butchery in Bosnia, and before it in Croatia and to a lesser degree in Slovenia, indeed is the continuation of the civil war in Yugoslavia that began immediately after the Nazi occupation of the country. That civil war had terrible dimensions. Some 1.5 million people died in Yugoslavia in World War II, but only about 300,000 were killed by the Nazis. The rest were killed, or rather brutally slaughtered, by the Yugoslavs themselves, mostly in clashes between Serbs and Croats. Such things cannot be forgotten.

At the same time, it must be remembered that the events to the west of Bulgaria are to a large degree a result of the erroneous policy of Western Europe and the United States toward former Yugoslavia. The excessive self-confidence, indecisiveness, and internal contradictions within the European Community, as well as remaining captive to the trite manner of thinking of U.S. politicians such as Lawrence Eagleburger, rather facilitated the agony of the disintegration of the artificial Yugoslav Federation, and prompted its development to an armed conflict.

Bulgaria bears no responsibility for all this. Someone could say that we must demonstrate solidarity with the international community. We are doing this, and even to a greater extent than many other states.

As far as "military solidarity" is concerned—it is inadmissible, not only because such solidarity with foreign interests brought the U.S. "Flying Fortresses" over Sofia in 1944. Such solidarity, which has nothing to do with the Bulgarian interests, will hardly motivate Bulgaria's Army and people, if a military situation emerges. In addition, in the future, when the Yugoslav conflict ends somehow, such a solidarity would place us in a position in which we would have to face a neighboring state, with whom our relations have always been determined by the "love and hate" complex. However, then the hatred will prevail. From all points of view—economic, political, and purely practical—this will bring nothing good to Bulgaria.

It is this that the Bulgarian deputies should consider if they are called upon to decide on NATO's demand for "assistance" on Bulgarian territory, which would facilitate military actions against former Yugoslavia. Whether they are good or bad deputies, they still represent all Bulgarian people. Thus they will have an extremely appropriate opportunity to refute at least once the famous claim that the Bulgarians are the most gifted people in overcoming difficulties they themselves create.

All those who bear professional responsibility in conducting Bulgaria's foreign policy should also consider the same thing. It is very doubtful whether this policy is clear and consistent, rather than the result of improvisations. In any event, this policy exists, and should by no means be continued through other means, because the name of those "other means" is war.

Social Democratic National Conference Ends

AU0205165593 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 2 May 93

[Text] The fifth National Conference of the Bulgarian Social Democratic Party [BSDP] ended with the signing of several documents.

The agreement on establishing the Bulgarian Social Democratic Union with the Alternative Social Liberal Party and the Europe Social Democratic Club was adopted.

An appeal to the Social Democrats in Bulgaria was also adopted. It calls for stopping the confrontation with the Social Democrats within the Union of Democratic Forces [SDS].

A memorandum on the cooperative movement was adopted. It appeals for restoring the free cooperatives.

A declaration was adopted in which the BSDP confirms its position against the ethnic and religious confrontation.

The political resolution was the basic document adopted by the conference. According to it, the BSDP strives to create an authoritative, centrist political coalition. The BSDP does not support early parliamentary elections. It does, however, consider such elections the only democratic outcome of the parliamentary crisis.

In case of early elections, the BSDP municipal leadership must sign agreements with political forces, except the Bulgarian Socialist Party and nationalistic and monarchist formations.

The present reform model exhausted all its possibilities and actually hampered development, participants in the conference pointed out.

The BSDP declared that its support of the Berov cabinet is not unconditional and does not necessarily mean that it agrees with all the cabinet's decisions. The successful implementation of the cabinet's intention to protect the people's social interests will determine the further position of the BSDP toward the cabinet, the resolution points out.

Prime Minister Berov Opens Expo in Plovdiv

AU0305115693 Sofia BTA in English 1112 GMT 3 May 93

[Text] Plovdiv, May 3 (BTA)—An international exposition opened this morning in Plovdiv, the second biggest Bulgarian city. Prime Minister Lyuben Berov addressed the participants in the ceremony. "I open the Plovdiv Spring Fair. It is a proof of the success of the economic reform in Bulgaria, a step towards the replacement of the system in the new Bulgaria," Professor Berov said.

"This traditional trade forum is gaining importance with the transition to a market economy and the introduction of private ownership. Showiness is giving way to business: Information is exchanged, contacts are established, deals signed," Deputy Prime Minister and Trade Minister Valentin Karabashev said at the opening. This is guaranteed by the participation of 728 Bulgarian and 508 foreign companies in this edition of the fair. The increase in the number of Bulgarian private companies at the fair to 328 from 190 in 1992 and 90 in 1991 gives grounds for optimism. This trend is in line with the increasing share of private business in Bulgaria's trade, said Mr. Karabashev. He said he was greatly pleased with the traditionally strong presence of Greece, Germany, Italy, Turkey, France and Switzerland. In his view, the complicated situation in the Balkans has not impeded the preparations for the fair.

Havel Rejects Charges of Anti-Serbian Feelings

LD0205201393 Prague CTK in English 1512 GMT 2 May 93

[Text] Prague May 2 (CTK)—Czech President Vaclav Havel, in his regular weekly radio address, rejected accusations that he had spoken out against the Serbian nation during his recent trip to the United States and on subsequent occasions.

I never said I was against the Serbian people and could never say this simply because I would never say any word against a nation, Havel said today.

The Yugoslav news agency TANJUG reacted sharply to Havel's statement last week that more concerted action should be taken by the West in Bosnia-Herzegovina to protect Bosnian Muslims from aggression. It said it was unbelievable that a humanist such as Havel could even entertain the thought of air strikes in Bosnia. Some Belgrade intellectuals also subsequently attacked Havel for betraying the Serbian people.

Havel said he rejected the principle of collective guilt and responsibility and thus did not harbor any ill feelings towards the Serbian nation as a whole. The Czech president said he had spoken, and perhaps with a raised voice, against those who are perpetrating unbelievable and unimaginable bestiality in Bosnia and Herzegovina ... those who chase people from their villages and homes, bomb villages and refuse to accept any peace plans.

I have spoken against these people and will continue to do so, but that does not mean that I am speaking against any particular nation, Havel stressed.

Regarding yesterday's May Day celebrations, Havel said he supported returning the workers' holiday its original meaning. He said that under the communists, this holiday was a bit alienated from the working classes and was somehow stripped of its original meaning.

We are building a market economy and thus should realise that in the most advanced market economy by far the largest percentage of people are those who regularly go to work ... and are represented by trade unions, which is a very important, legitimate part of societal life, the Czech president observed.

U.S. Management Stake in Tatra Approved

AU0305131793 Prague CTK in English 1917 GMT 28 Apr 93

[Text] Prague April 28 (CTK)—The Czech Government has approved U.S. management participation in the Tatra Koprivnice joint stock company which is in financial trouble and which has been largely privatized by the voucher method, Czech Premier Vaclav Klaus said today.

North Moravian-based Tatra Koprivnice is a car and truck maker which recorded a 3.2 billion crowns (100 million USD) turnover with a loss of 607 million crowns (20 million USD) in 1992. Due to the losses, it had to lay off 1,600 of its 11,000 workers.

Klaus stated today that the investment privatization funds agreed to this solution. Each fund is to give the U.S. management 15 percent of its Tatra shares, acquired in the voucher privatization, Klaus said.

In this case, the government's role is limited and supportive, as the deciding role is played by the privatization funds, said Klaus.

He added that the gradual transfer of the shares to foreign management was not a usual solution. It is the first case of this sort, but probably not the last one, he noted.

The Fund of National Property is also to transfer 15 percent of its Tatra shares to its U.S. co-partners.

Klaus stated that 88 percent of Tatra's profit resulted from truck production. A possible renewal of the manufacturing of personal cars will not solve the company's situation, Klaus added.

Tatra also offers its personal cars for the Czech Government which wants to place as many of its members as possible in domestic-made cars instead of foreign-made ones, Klaus said.

[Prague HOSPODARSKE NOVINY in Czech on 29 April on page 1 carries a 500-word "hej"-signed report on the above government session, which, citing "well-informed circles," adds that "Gerald Greenwald, the head of the U.S. expert team, could be elected chairman of the 11-member Tatra Board of Directors at the board's next meeting, probably in the first half of May. At the same time, Gerald Greenwald is to become new Tatra general director." Commenting on the case, HOSPODARSKE NOVINY calls the government's decision "almost historic" as "this is the first instance of the control of a key Czech enterprise being assumed by a foreign national who will not be playing an advisory or secondary role but a key decisionmaking one. This is also the first instance of a brain of world renown buying into Czech industry."]

Second Coupon Privatization Wave Outlined

AU0305152693 Prague CTK in English 1923 GMT 29 Apr 93

[Text] Prague April 29 (CTK)—Shares worth 50 billion crowns (1.7 billion USD) out of the total 130 billion crowns (4.3 billion USD) worth of property designed for the second wave of coupon privatisation have as yet been transferred to the National Property Fund, Privatisation Minister Jiri Skalicky told journalists today.

Agriculture's share in the property to be offered in the second wave of the coupon privatisation, scheduled to be launched in summer, is to be about 8 billion crowns (270 million USD) and that of trade some 5 billion crowns

(165 million USD). The coupon privatisation is not to be employed in the health sector or in companies administered by regional offices.

An estimated 56 billion crowns (1.8 billion USD) worth of property administered by the Ministry of Industry and Trade and 30 billion crowns (1 billion USD) of property administered by the Economics Ministry are to be subject to privatisation.

Specifically this comprises Czech Railways, the former Czechoslovak Automobile Transport (CSAD), radio broadcasting facilities and telecommunications, power and mining companies, and some major organisations in metallurgy, electrical engineering, construction and light industry.

The ministry would like to hand over the rest of the property by early summer, Skalicky said.

The second privatisation wave will cover property worth some 500 billion crowns (17 billion USD), while the first totalled 750 billion crowns (25 billion USD) worth of property, of which 200 billion crowns (6.5 billion USD) were subject to coupon privatisation.

Government 'Disquieted' by Wage Increase Figures

AU0305150293 Prague CTK in English 1944 GMT 29 Apr 93

[Text] Prague April 29 (CTK)—The Czech Government is disquieted by the preliminary figures on wage rises, as they show the wages increased by 23.8 percent against the same period in 1992, Czech Labour Minister Jindrich Vodicka said today.

Speaking at a press conference following a session of the Council of Economic and Social Agreement ("Tripartite"), which comprises representatives of the Czech Government, trade unions and employers, Vodicka noted that wages begin to have inflation effects.

Prices have risen by 21.7 percent within the period mentioned, Vodicka said.

He stated that the Czech cabinet did not strive for regulation of wages. However, under the law on state budget, the government is authorised to take corrective measures if the year's wage rises surpass five percent of the rise in prices.

The government counts on a 15-17 percent inflation rate in 1993, Vodicka informed.

EC Official Comments on Czech EC Membership

LD0305154593 Prague CTK in English 1122 GMT 3 May 93

[Text] Prague, May 3 (CTK)—One of the grounds for the European Community's (EC) orientation towards closer cooperation with the Czech Republic is the long-term prospect of its full EC membership, the EC commissionar for external relations and security policy, Hans Van Den Broek, told members of the Czech parliaments foreign committee today.

The June EC summit is to contribute to the rapprochement of the central and Eastern European countries with the EC, said Van Den Broek, on a two-day official visit to the Czech Republic since Sunday.

In connection with the suspension clause to the prepared association agreement, Jiri Payne, chairman of the foreign committee, raised the issue of the EC's linking trade to human rights. This could weaken stability in Europe, Payne said.

Van Den Broek said that the clause was a general annex which would be included in all agreements signed by the EC with non-member countries. It could be applied only in emergency cases towards the countries, in which a totalitarian regime would be restored.

Van Den Broek stressed that if the Czech Republic continued its democratic development, there would be no reason for it to be in conflict with the clause.

In response to a demand from Deputy Petr Necas that the emergency cases be clearly defined in the clause, Van Den Broek replied that the EC was considering it.

We know that a "certain rift in trust" exists between the Czech Republic and the EC. We must overcome this rift, Czech Premier Vaclav Klaus told CTK after today's working breakfast with Hans Van Den Broek.

The EC commissioners are preparing certain initiatives for the upcoming June EC summit in Copenhagen, Van Den Broek said. He did not specify them, but noted that they also regarded exports of Czech steel.

A proposal to accelerate the opening of markets to products from central and Eastern Europe is being prepared for the Copenhagen summit, EC Commissionar Leon Brittan said recently.

But the idea that an idyllic relation between the EC and the Czech Republic could emerge is nonsensical, said Klaus. Whenever Czech exporters manage to export successfully, local Western lobbies will protest, he noted.

Havel Policy Seen as Against National Interest

AU0305151893 Prague CTK in English 1231 GMT 28 Apr 93

[Text] Prague April 28 (CTK)—Participation of the Czech Republic in the Bosnian conflict would be tantamount to madness, says Ivan Svitak in the Czech daily RUDE PRAVO today.

Svitak, former Federal Assembly deputy for the Left Bloc, is responding to Czech President Vaclav Havel's

statement in Washington last week that if the international community adopts more radical moves (in Bosnia-Herzegovina), the Czech Republic is ready to support them and to take part in them within its possibilities.

The Czech president is disqualifying himself as head of state by making public calls for peaceful airraids on a foreign country. Promises to participate in a future intervention contravene Czech national interests, Svitak says, stressing that every president should consider national interests and citizens' well-being a top priority.

It is necessary to call an extraordinary parliamentary meeting to review the Czech Republic's foreign policy and to single out recent statements by the president which run counter to the Czech national interests, Svitak says. There is no other instance in the Czech history of a call for aggression against another state made by the head of state in disrespect of the nation, RUDE PRAVO maintains.

The president's promises of procuring soldiery for the Bosnian conflict can be explained solely as an attempt at a trade-off for a swift access to Western markets, and also as an attempt to join the European or, to be more precise, German, aggressively conservative policy in the Balkans—in other words, as an entrance fee for admission into the European Community, RUDE PRAVO ventures.

Havel has no legal mandate for making promises of mercenary support to foreign states as a means of gaining entry to the EC and NATO, Svitak says, adding that it is not a fit role for a statesman to pledge citizens' lives on behalf of integration and economic reform.

Ivan Svitak, 68, is a philosopher, writer and former reformist communist, who was expelled from the Communist Party in 1964. He emigrated to the U.S. in 1968, where he successfully pursued a university career, only to return to the former Czechoslovakia in 1990.

Communists Critical of Property Division Process

AU0305153093 Prague CTK in English 1250 GMT 29 Apr 93

[Text] Prague April 28 (CTK)—The chairman of the Communist Party of Bohemia and Moravia (KSCM), Jiri Svoboda, said today that some Czech and Slovak political forces are making use of the current division of former federal property to stir animosity between citizens of both republics.

Svoboda told journalists that such a situation is a result of Slovak Premier Vladimir Meciar's purposeful efforts aimed at extracting political capital from the issue.

Svoboda stressed, however, that the fact that the Czech Government has suspended handing over shares of Czech enterprises to Slovak stock-holders who acquired them in last year's first wave of coupon privatisation in the former Czechoslovakia, plays into the hands of Meciar. He said that through populism, Meciar is using Slovak share-holders as hostages in solving property division disputes.

Josef Mecl, a KSCM leadership member and former deputy to the now defunct Czechoslovak Parliament, voiced the view that a final and clear division of the former Czechoslovakia's property would be never achieved.

Poll Shows Rise in Optimism About Future

AU0305152093 Prague CTK in English 1119 GMT 28 Apr 93

[Text] Prague April 28 (CTK)—While 26.2 percent of Czechs consider their republic's current economic situation substantially or slightly better than one year ago, 46.2 percent see it as substantially or slightly worse.

This is revealed by a poll conducted by the Institute for Market Research (GFK) among 654 respondents over 14 years of age in March.

Evaluation of the economy has not changed substantially since the last poll, conducted in October 1992. But people now expect better things of the future.

A substantially or slightly better economic situation in the future is now expected by 34 percent of respondents, compared to only 19 percent last October. Now, 32.6 percent envisage no change against 22.6 percent in October. A worse economic situation is expected by 32.6 percent of the respondents against 46.8 percent in October.

Over 14 percent of the people interviewed in the March poll see their own financial situation as substantially or slightly better as compared with last year. More than 38 percent say it is the same and over 34 percent think it is slightly worse. 11.5 percent of Czech citizens see their financial situation as substantially worse.

As to the future, 65.9 percent of Czechs believe their financial situation will not worsen but the opposite is envisaged by 30 percent of them.

Growing unemployment is foreseen by 73.7 percent of the respondents while 5.4 percent think it will decrease.

The rise in prices in the past 12 months was characterized as substantial by 52.3 percent of the respondents, as mean by 37.6 percent and as slight by 8.4 percent.

The rate of price growth will be higher according to 16.4 percent of the respondents, compared with 34.1 percent in October.

Meciar Claims Cabinet Supported by Parliament

AU0305152293 Prague CTK in English 1409 GMT 28 Apr 93

[Text] Bratislava April 28 (CTK)—The Slovak Government is still supported by the parliament, Slovak Premier Vladimir Meciar told a press conference today.

Following an exodus by a group of 7 deputies led by the former foreign minister, Milan Knazko, in late March, Meciar's ruling Movement for a Democratic Slovakia (HZDS) holds only 74 spots in a 150-seat parliament.

Meciar suggested that some of the deputies who had left the HZDS, would return to it.

But there are currently no conditions for a broader coalition in Slovakia, as an alliance with the Christian Democratic Party (KDH) and the Hungarian ethnic parties is not possible, said Meciar.

Talks between the HZDS and the Slovak National Party (SNS - which left the coalition in mid-March-ed.) are likely to be held by the end of this week, HZDS Deputy Chairman Roman Zelenay said.

It is ridiculous to speculate that Slovakia has set out on a socialist path, Meciar said. He noted that one of Slovakia's priorities was privatization which contradicted socialist ideas. But Slovak premier said, however, that the question of what capitalism is remains. The Western countries refuse to call their own system capitalist as they consider it a higher stage of capitalism, i.e. the market economy, he concluded.

[Bratislava PRAVDA in Slovak on 29 April on page 2 carries a 750-word TA SR report on Meciar's news conference, which includes the following passage: "Responding to reports that have appeared in the press a few days ago, according to which former State Secretary Anton Rakicky had bought a $1 billion home in Florida, Vladimir Meciar said that, when recalling Milan Knazko from the post of minister of foreign affairs, he had 'indicated something and had no reason to change anything of what he said then.' However, it is not up to the government but to the appropriate bodies to investigate whether the law was or was not violated, Meciar said. He stressed, furthermore, that he was in favor of cleansing public life of all corruption by means of a thorough investigation of all corruption affairs, irrespective of whom they concern, by adopting a law on the prevention of conflict of interest, and by means of other legislative norms against the infiltration by mafias, the 'laundering of dirty money,' and the like."]

Welcomes Russian Referendum Results

AU0405073493 Bratislava REPUBLIKA in Slovak 29 Apr 93 p 3

[TA SR report: "Slovakia Welcomes the Results of the Russian Referendum"]

[Text] Bratislava—The results of the Russian referendum were to be expected. The position of President Boris Yeltsin has been strengthened, which means that the course of economic reform and democratic development will continue to be guaranteed in this country. Slovak Prime Minister Vladimir Meciar made this statement yesterday in an interview granted to a TA SR correspondent.

In his opinion, these results still do not mean a solution to all the problems in constitutional and legal relations within the Russian Federation. The main problem is—according to Vladimir Meciar—the fact that President Boris Yeltsin is trying to create a Western type of presidential or parliamentary system, while striving for a model that would maintain a specific place for the Soviets. This means keeping the Congress of People's Deputies and the Supreme Soviet. The referendum has not yet resolved this fundamental contradiction; therefore, it will be interesting to monitor the next course of action to be pursued in dealing with it.

Questions Austria's Trade Stance

LD0205162593 Prague CTK in English 1531 GMT 2 May 93

[Text] Vienna May 2 (CTK correspondent)—Slovak Premier Vladimir Meciar said today he was willing to allow international experts to examine his government's policy towards ethnic minorities and be subjected to the ruling of international bodies.

In an interview with the APA Austrian news agency on the eve of his visit to Austria Monday, Meciar stressed that Bratislava's policy towards national minorities is on very high level and that only in South Tyrol were ethnic minorities' rights slightly better protected.

Meciar rejected the existence of differences in views between himself and Slovak President Michal Kovac who said last week that a wider government coalition in the Slovak Republic would better handle problems, APA says. The president said only what we have agreed upon, Meciar stated. He said that though his party (the ruling Movement For A Democratic Slovakia, HZDS) was ready to speak about a coalition, it was also possible to have a minority government if it gains support of other political parties.

Regarding his attitude towards journalists, Meciar said this attitude is surely better than the attitude of journalists towards him. He said the West sometimes does not understand the situation in Slovakia. We have total freedom of the press but this does not mean we also have a democratic press, Meciar added. Freedom means at the

same time reponsibility for accuracy and quality of information and here my opinion and the views of journalists slightly differ. As to freedom of the press I say yes but as to publishing unverified information and blackening a reputation, I say no, Meciar stressed.

He confirmed there were some differences within his cabinet regarding arms trade. Meciar said though he favours trade in weapons, they could not be sold to regions where they could threaten peace and aggravate tension.

Meciar voiced dissatisfaction over Slovakia's limited economic relations with Austria which he said were not yet sufficient. He criticised Vienna for restricting Slovakia's imports of meat and dairy products. He said a halt in imports was not caused by foot and mouth disease which allegedly occured in eastern Europe but rather by Austria's striving to protect domestic food producers.

Meciar said that the bad picture of the economic situation in Slovakia presented by domestic and foreign mass media does not correspond to reality. He said an economic collapse of the country had been predicted for March and for April at the latest. Now it is May and the collapse is still not in sight, Meciar said.

Meciar said that 55 per of Slovakia's exports go to European Community countries and that for the first time in its history Slovakia had achieved a positive trade balance. Even its trade balance with the Czech Republic is positive, he stressed, adding that foreign exchange resourses in Slovakia are not diminishing and that its currency is stable.

It is not easy to implement such changes within a few months but we have managed it. We have opened to the world and we are expecting the same from our partners, Meciar said.

Foreign Minister Meets With EC Commissioner

LD0405084093 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 0500 GMT 4 May 93

[Text] Hans van den Broek, the EC commissioner for external relations and security policy, arrived in Bratislava yesterday. Among the Slovak politicians he met with was Slovak Foreign Minister Jozef Moravcik who gave a festive dinner in his honor. Since it was there that the key talks between the two representatives took place we telephoned Roman Buzek, director of the press department of the Slovak Foreign Ministry, this morning for iformation about those talks.

[Begin Buzek recording] At the start of the talks Minister Moravcik stressed the Slovak republic's priority interest in the speedy signing of the association agreement between the Slovak Republic and the EC. He also stressed the Slovak Republic's priority interest in the integration of the Slovak Republic in the European economic and security structures.

Hans van den Broek confirmed the EC's intererest in the conclusion of the association agreement and the intensification of cooperation with the Slovak Republic. He stressed the EC's interest in cooperation not only with the Slovak Republic but also with other countries of central and eastern Europe.

The two representatives also discussed matters concerning the renegotiation of the association agreement, above all the so-called suspension clause. It was agreed that the next round of talks between experts will take place in Brussels on 26 May. In the part of the discussion concerning national minorities Jozef Moravcik recalled his proposal which he had put forward at the talks between the Central European Initiative foreign ministers in Budapest at the end of March. The essense of that proposal is that an international legally bound document should be drawn up and adopted within the framework of one of the respected European organizations, probably the CSCE or the Council of Europe, which would guarantee a minimum of rights of national minorities in all European countries.

Minister Moravcik emphasized the Slovak republic's openess on this issue and readiness to discuss it at any international level.

Zlocha: Hungary Presented Biased Gabcikovo Data

LD0305122493 Prague CTK in English 1154 GMT 3 May 93

[Text] Bratislava May 3 (CTK)—Hungary presented biased and wrong data in its report on the Gabcikovo water project, Slovak Environment Minister Jozef Zlocha told today a press conference after his return from a conference of European environment ministers, held in Lucerne, Switzerland, from April 28 to 30.

Hungary demanded Slovakia to halt construction work at the disputed water project on the Danube. But its appeal found a favourable echo neither among the ministers nor journalists, Zlocha stressed.

He called success the fact that 19 Slovak projects were included among those to be delt with by the commission for the preparation of projects. The commission is to assess them and select those eligible for financial support.

Only two projects from the Czech Republic were accepted by the commission, which is composed of bank representatives and sponsors, i.e. countries providing financial assistance, Zlocha said.

National Bank Planning To Revalue Koruna

AU0305150693 Prague CTK in English 2112 GMT 29 Apr 93

[Text] Bratislava April 29 (CTK)—If Slovakia's surplus in the Czech-Slovak balance continues to increase, the Slovak National Bank (NBS) plans to revalue the Slovak currency against the Czech one, NBS Vice-Governor Marian Jusko told CTK today.

The NBS already revalued the Slovak crown by two percent earlier in April. It plans further revaluation by three percent for the next week due to the expected

developments within the Czech-Slovak agreement on mutual payments, Jusko said.

Jusko estimates the Slovak surplus in the Czech-Slovak trade at nearly 1.3 billion crowns (some 43.3 million USD).

SNS, HZDS Fail To Agree on Coalition

AU0305150493 Prague CTK in English 2051 GMT 29 Apr 93

[Text] Bratislava April 29 (CTK)—The Slovak National Party (SNS) considers it appropriate to create a broader government coalition in Slovakia, while the ruling Movement For a Democratic Slovakia (HZDS) believes it is necessary to maintain the current HZDS government's stability.

A statement by the two parties, given to CTK after their joint session today, says that the SNS favours more political parties to be represented in the Slovak cabinet. On the contrary, the HZDS prefers the current situation to be maintained and backed by the parliamentary parties' broad cooperation.

The two parties consider the current developments both on the Slovak political scene and in the field of economy to be natural, in view of the complexity of the reform process, the statement says.

The SNS and the HZDS recommend their regional organisations to cooperate at the regional and local levels.

Experts Challenge Czech Stand on Issuing Shares

AU0305152493 Prague CTK in English 2101 GMT 28 Apr 93

[Text] Bratislava April 28 (CTK)—Slovak citizens have a legal right to shares in Czech enterprises, which they acquired in last year's first wave of coupon privatization, according to a statement by the Slovak parliament's Legislative Section, given to CTK today.

Hvezdon Koctuch, who heads the parliament Economic and Budget Committee also supports the statement, which reacts to the analysis by Czech State and Law Institute from April 26.

The Czech statement says that Slovak citizens cannot demand the shares in Czech enterprises under the current law, which would have to be changed to make the transfer of the shares to Slovakia possible.

The statement given to CTK by Koctuch says, that Slovak shareholders, who have already paid for their shares (by the means of coupons), have the right to be given the shares. Citizens acquired the coupons under then-valid Czechoslovak legislation, the statement notes.

On the contrary, the Czech analysis underlines that under Czechoslovak law on the conditions for transferring state property to another person, all citizens of the Czechoslovak Federation living on its territory and aged over 18 have a claim to the coupons. However, this condition must be met throughout the citizen's participation in the process of coupon privatization, a condition not met by Slovak citizens after the split of the Czechoslovak Federation on January 1, 1993, the Czech analysis argues.

The Slovak stand emphasizes that casting any doubts on handing over the shares would be incompatible with the Charter of Fundamental Rights and Freedoms. Everybody, not only a country's citizen, has the right to own property under the Charter, with ownership rights being equal for all owners and equally protected from the legal point of view, the Slovak parliament's statement writes.

The Czech institute's analysis eliminates such a serious document as the agreement between the Czech and Slovak Governments on mutual support and protection of investments, the Slovak stand notes. In the document, the two partners agree to respect former federal laws on conditions for the transfer of the state property to other entities and harmonize it with their later (after-split) regulations, Slovak statement stresses.

The agreement is expressly aimed at investors, who acquired their rights on the other partner's territory by gaining privatization coupons during the first wave of coupon privatization, the Slovak parliament statement notes.

Report on Slovaks in Republic Seeking Citizenship

AU3004143593 Bratislava NARODNA OBRODA in Slovak 29 Apr 93 p 13

[B. Janik report: "Dispensation Until the End of the Year"]

[Text] Prague—Of the approximately 320,000 Slovak nationals living in the Czech Republic, one-third have—according to Czech Interior Ministry estimates—applied for Czech citizenship. This became clear from the information given to reporters yesterday by Czech Deputy Interior Minister Zeman and General Administration Department Director Henych, who is also the author of the law on state citizenship.

By the end of 1992, 46,000 had applied for Czech citizenship and 13,200 of these applications have been processed. They come under the 1969 law, which was succeeded on 1 January 1993 by a new law on citizenship. The authority to grant citizenship has been transferred from the Czech Interior Ministry to regional or district authorities, so therefore the Interior Ministry no longer keeps a precise record of the applicants. Some 60,000 cases involved so—called elective citizenship. This means that a Slovak national who fulfills the appropriate criteria—that is, has had permanent residence for at least two years, has no criminal record, has severed his ties with the Slovak Republic, and was a CSFR citizen until the end of 1992—can choose Czech

citizenship. The special dispensation for former CSFR citizens is, in essence, only valid until the end of this year. As of 1994, they will have to fulfill the same conditions as other foreigners in order to qualify for Czech citizenship. According to Dr. Henych, 90 percent of the applications are from people who have lived many years in the Czech Republic. He dismissed the biased questions from reporters on whether the Czech Republic is now threatened by a mass influx of Slovaks who apparently do not want to live in the Slovak Republic. By the end of last year, some 200 Czechs who want to apply for Slovak citizenship had applied to sever their ties with the Czech Republic. This year, neither the Czech Interior Ministry nor the regional or district authorities are maintaining such records. They are not issuing such documents because the Slovak side does not require them from applicants for Slovak citizenship. A Czech citizen who acquires another citizenship automatically forfeits his Czech citizenship.

1992 Crime Figures Published

AU0405095093 Bratislava REPUBLIKA in Slovak 20 Apr 93 p 3

[TA SR report in the "Black Chronicle" column]

[Text] The following numbers reveal the crime rate in the Slovak Republic. There was a total of 105,060 crimes committed in 1992, compared to 88,157 crimes in 1991. Of this, there were 8,967 violent crimes (8,791) [in 1991]. This includes 118 murders and 1,266 robberies. The number of economic crimes rose significantly by 1,307 cases. While the percentage of explained violent crimes, murders and robberies, sexual offenses, frauds, and economic crimes is quite high (88.1 percent), only 29.4 break-ins and 25.5 percent of car thefts were explained.

Government 'Displeasure' With U.S. Embassy Noted

AU3004075493 Bratislava REPUBLIKA in Slovak 27 Apr 93 p 5

[Dusan D. Kerny commentary: "What Has Changed After President Kovac's Visit to Washington?"]

[Excerpts] The three days spent by the [Slovak] president in Washington, two months after his inauguration, have changed the situation: Slovakia is neither a problem nor the source of problems any longer but, quite the contrary, it is, and wants to be, a part of the solutions.

The fact that Slovakia was able to say this directly in Washington so soon after becoming an independent state (one that has been accompanied ever since its conception by the ill will of all too many people as an unwanted child) is of immense importance. It is important to make one's own voice and one's own language heard on the international scene.

The Slovak proclamation that "the United States will have a faithful ally in us" was immediately put to test—the test of our stand on Bosnia. All the other countries in attendance [at the opening of the Holocaust Memorial Museum], especially those immediately affected by the situation, which is true of the majority of those invited, were put to the same test. The U.S. Administration (the President and the secretaries of state and defense) made use of their presence to make them state in a clear and binding way how they would react if the United States decided to intervene in former Yugoslavia.

The American President has not yet been in office for 100 days, after which the first balance may be taken. U.S. foreign policy is taking shape under conditions of the greatest post-1945 changes, under the conditions of a new world. The United States is quite clearly the strongest and mightiest democracy in the world and the sole great power. At the same time, it can neither determine the course of world events (as was the case until the fall of communism) nor prevent explosions of crises. The year-long war and massacre in Bosnia is a case in point. As is always the case after a new President takes office, the U.S. Administration does not want to act quickly but, rather, clear-headedly.

Bosnia was the subject of almost every discussion held by the president (and the other presidents) in Washington. [passage omitted] For the first time, Slovakia was consulted to a broader extent by a world power on an international decision.

The direct contact with Washington, with all the key men of the new administration, is a very good point of departure for further relations. In Bratislava one speaks more and more often about expressions of the government team's displeasure [nevole] with the fact that the new U.S. Embassy has not managed, as is customary in all stabilized democracies, to appropriately take into consideration the government team but that, while maintaining good relations, in interpreting events and policy it ascribes greater importance to the views of groups that were defeated in the elections. This is happening at a time when, for the first time, the embassy has a direct, rather than a mediated, contact with its head office—the State Department.

Apart from speaking directly, Slovakia also heard directly what the concerns of American policy are, to what American policy pays heed, and on what basis it evaluates the situation in a country. Kovac's visit to Washington showed one thing: that the policy of a state such as the United States (but, as a matter of fact, the policy of every state) is not made by, and does not hinge on, one individual but the country. [passage omitted]

Another dimension of Kovac's visit to America was its significance as a demonstration. In American politics this is called "showing the flag," that is, showing that I exist and who I am. Irrespective of where the Slovak flag

was and was not hoisted in Washington, Slovakia was present in everything that made the events in Washington important.

The story of conjectures about where we are actually heading, the story about there being only one man [presumably reference to former Prime Minister Jan Carnogursky] representing this country's link with the integration structures—with Europe in the economic and political sense and with NATO in terms of security—has ended.

Last but not least, Kovac's visit has also had an important domestic political dimension. It unequivocally reinforces the respect and authority that the president commands with the public. An obvious repercussion of this could be a calming of the tense domestic situation. This is important because what the executive branch most badly needs is time. And that is something that it has clearly not been granted, owing to intense disputes, exhaustive parliamentary squabbles, and the fact that the press has become the crucial factor in shaping public opinion (in this way the press has actually become a power center that is stronger than the government, which, incidentally, is the best evidence that democracy is deepening).

The domestic political capital of this visit is at least as precious as what the president has billed as a breakthrough in Slovak-American relations. It will surely also influence the definitive composition and shape of the president's staff, which is of immense importance. The visit to Washington clearly demonstrated the potential of implementing foreign policy through the medium of the presidential office. If the Castle, which will remain stable for the next five-year period, manages to establish itself as an element of stability and continuity vis-a-vis the executive branch, which is shorter-lived, these potentials will manifest themselves fully.

Wherever the president went, whether it was the White House, the State Department, the Pentagon, the Treasury Department, or the World Bank, there was a single tune on his lips: democracy, market, integration into Europe and its institutions, since we already profess its values, and endeavor at the closest possible cooperation with NATO. He has apparently finally succeeded in something that no one before him managed to accomplish—in showing Slovakia as part of the solution to regional (and European) problems, and not as a problem in itself, as a country that does not dodge responsibility. This should serve as a signal not only for the supporters of the Castle and the group that brought Michal Kovac to the Castle. It should also serve as a signal for those who are not favorably disposed toward him. Both groups will now have to treat the Castle with even greater respect. The group that is upset by the existence of independent Slovakia will have to change its rhetoric and conduct to a far greater extent than the other.

Correction to Law Amended To Prevent Currency Outflow

AU3004124593

The following correction pertains to the item headlined "Law Amended to Prevent Hard Currency Outflow," published in the 30 April East Europe DAILY REPORT, page 9:

Paragraph three, second sentence, make read: ...through a foreign trade enterprise or another... (changing word)

Goncz Notes Aim Toward Freer State Borders

LD3004133293 Budapest MTI in English 1035 GMT 30 Apr 93

[Text] Budapest, April 30 (MTI)—"The future Europe will be built on the unity of regions, which also will ensure the survival of European diversity as a guarantee of development," Hungarian President Arpad Goncz said in Budapest on Friday, during talks with his Catalonian counterpart Jordi Pujol.

Goncz noted Hungary's aim to make state frontiers freely crossable and see closer cooperation between various regions. To this end, it participates in the central European initiative, the Alps-Adriatic cooperation and the Carpathian-Euroregion scheme.

Pujol agreed that in a single Europe a special role will be assigned to pan-European institutions and regional cooperation.

The example of Spain and other states show that centralization has economic and cultural disadvantages. He thought the growing importance of regional autonomies could both speed up east-central European development and help resolve minority problems.

Good Ties With Neighbors 'Primary Goal'

LD0105161393 Budapest MTI in English 1551 GMT 1 May 93

[Text] Budapest, May 1 (MTI)—Although the widely held view that ethics and politics are incompatible may partly be true, politics is not acts guided by egotism but a form of altruism. Anyone engaging in politics must be guided by the obligation to serve their community, said Hungarian Foreign Minister Geza Jeszenszky on Saturday.

Jeszenszky spoke at a forum of the Hungarian Catholic Journalists' Federation, titled "conscience and information", held in Budapest.

He said foreign policy was both an individual performance and a game for partners which may not be played with all cards on the table. The goals of Hungarian foreign policy are clear but many players in international politics use dishonest means to achieve their aims. Hungary must be aware of that when planning its steps, Jeszenszky said.

One of Hungary's primary goals is to establish good ties with its neighbours and to see minority rights guaranteed. In spite of this, in several neigbouring countries and, sometimes, even at home, Hungarian foreign policy is made to appear as if it were irredentist and aimed at conquering, Jeszenszky said. It is easy to provoke doubt in people, and, due to false presentations, the west already seems to think that Hungary's policies are destabilizing and may upset peace in Europe, he added.

"Presenting facts and truth is the way to defend ourselves against distorted information," he said.

Flight Agreement With Romania Functions Well

AU3004094693 Budapest NEPSZAVA in Hungarian 28 Apr 93 p 3

[Report by correspondent Decsi: "It Is Permitted To Fly Into Hungary—The Sky Has Opened for Romanian Aircraft"]

[Text] A Romanian military aircraft is flying reconnaissance flights in Hungary's airspace today. This flight is taking place in the framework of the Hungarian-Romanian "Open Sky" agreement signed two years ago.

"Legalized espionage"—Khruschev dismissed U.S. President Eisenhower's proposal in the fifties. After the end of the cold war, the time also came for confidence strengthening. The international public opinion welcomed former President Bush's proposal to have unarmed military aircraft carry out reconnaissance flights in other countries' airspace. Although negotiations advanced slowly between the still existing military blocs, NATO and the Warsaw Pact, a bilateral agreement was reached in the end, namely on a region that is often mentioned as a tension-filled zone. Hungarian and Romanian foreign ministry representatives signed the Open Sky Agreement in Bucharest in May 1991.

This agreement is adjusted to the technical capabilities of the two sides, because neither the Hungarian Army nor the Romanian Army has top military technology. The two sides also made sure that these observation flights do not place additional burdens on the two budgets. Thus, these flights are carried out in the daytime, with the existing rather modest photography and video equipment.

This agreement allows four observation flights annually for each side, with a duration of three hours or 1,200 kilometers. The sides can choose the timing of these observation flights as they see fit.

The notification that one side intends to carry out such a flight must be received by the other side within 48 hours, and the flight plan must be coordinated within six hours from the time of arrival. The side declaring its intention to carry out such a flight has the right to fly beginning with the 16th hour, and this flight takes place in the presence of the air controllers of the receiving country. The collected data are used jointly, and they can only be given to a third party on mutual agreement. The whole territory of the countries in question can be flown over, with the exception of dangerous airspace delimited in the official communique, like the area of the Paks Nuclear Power Station in Hungary.

Hungary has already carried out observation flights in Romania's airspace this year. An AN-6 aircraft of the Hungarian Army equipped with aerial photography devices carried out observation flights in the area of Temesvar [Timisoara], Arad, Nagyvarad [Oradea], Gyulafehervar [Alba Iulia], Deva, and Lugos between 6 and 8 April 1993.

The reciprocal flights are taking place today. The Romanian side declared its intention to fly on 23 April, and their aircraft landed in Szeged at noon on 27 April. This was followed by control formalities (making sure that the photographic equipment on board is not more efficient than the one stipulated in the agreement) and flight-path coordination.

These observation flights are important beyond the practical results: They strengthen mutual confidence and security, something that is very important in this region.

Minister Szabo Views Privatization Issues

AU3004151893 Budapest MAGYAR HIRLAP in Hungarian 29 Apr 93 p 13

[Interview with Minister Without Portfolio Tamas Szabo by Ildiko Nagy; place and date not given: "Let Us Not Take the Budget Right From Privatization Income"]

[Text] The most important goal of the small investors' share program is to ensure broad opportunities to buy shares of stock, Tamas Szabo emphasized. He admits that understandable pressures do exist but it is his professional and political conviction that privatization revenues should not be used to reduce the national deficit.

[Nagy] Privatization, and you personally, have received a lot of criticism, even by the coalition partners....

[Szabo] And from my own party.

[Nagy] Lack of openness is one of the accusations. How will information be passed on in the future?

[Szabo] There is a big difference between wishes and reality. At the beginning of 1991 I had four objections against the current procedures, namely secrecy, insider relations, poor offers, and lack of demand. This was when I formed my strategy, and it included openness. Those who criticize should compare the current situation with the one of one and a half years ago. I admit that my requirements and reality are still far apart.

[Nagy] Does this mean that privatization is not open enough?

[Szabo] I still think that the whole marketing arrangement is bad. As for the actual decision, publicity is prescribed by law.

[Nagy] I do not understand. If you are so dissatisfied, then why do you get all the criticisms?

[Szabo] Until the answers, including the technical issues, are clarified in a concrete case, there is nothing to talk about and no point in talking.

[Nagy] You have been openly attacked by your own party many times and, in fact, this is not the first time that your reply has been rejected in Parliament. The attack seems to have a particular goal. What are your conclusions from all this? Does this mean that your dismissal is forthcoming?

[Szabo] Yes, the attack is biased and has a political nature. It is connected to the opposition election campaign that started early, and to the political tactic of putting someone in an impossible position, a tactic characteristic of them. It is connected to the open power struggle within the Hungarian Democratic Forum [MDF]. It is linked to our coalition partner's search for identity. I would like to avoid political hand-to-hand fighting because that is based on emotions rather than facts. I am convinced that since I was appointed to be responsible for this area, I have achieved substantial changes and we have not stopped our efforts, because I am aware of the tasks which remain to be solved and which I also have been viewing critically.

No matter how unfortunate this is, however, I cannot expect realistic judgment from political opponents.

[Nagy] We often talk about the sale of state property, but we do not know how much.

[Szabo] We have just gotten to the point, after having worked on it since August 1992, that I can say that we will soon know what we have. The assets have been assessed with the help of a German company, but there is no point in mentioning just one number. The assets are comprised of many elements. To mention just a few, there are tangible assets, separable assets, and part ownerships, but these cannot be summed up in one number. The point is that at last there is an overview of the structure of the assets, so therefore we can satisfy the needs of the purchasers better.

[Nagy] According to analysts, the small investors share program only affects 1 percent of state assets. Can privatization be accelerated this way?

[Szabo] Different predictions exist. Ensuring a broad opportunity to purchase shares is the most important goal of this program. It is necessary to involve the small investors. Privatization techniques are developing gradually. Let us look at the range! In addition to the professional and strategic investors, we have domestic investors who have little capital and who are aided by the existence loan. The third group, the well-prepared enterprise managers, can use leasing, and the fourth target group, the employees, can use the worker share program [MRP]. With the small investors' share ownership program, the opportunity has been created for a broad range of people to become involved in privatization. We cannot leave a large proportion of the population out of this. In England, for example, the proportion of share owners went from 3 percent to 25 percent because they targeted the small investors. To answer your question, privatization will be somewhat faster.

[Nagy] How?

[Szabo] What has to be ensured in an enterprise from a business point of view? There has to be an owner who invests, has an aggressive marketing policy, and is able to appoint the management. This goal can be accomplished by someone with a relatively small, let us say, 30 percent ownership, and the rest can be shared by many others.

[Nagy] Does this mean that the proportion of small investors is not limited to 5 to 10 percent?

[Szabo] As you know, we are still working on the details of the program. In the case of one group of enterprises, professional investors can acquire the majority of shares and a smaller proportion can go to small investors. This also qualifies as acceleration because the state will not be saddled with the remainder. In the case of another group of enterprises, in addition to the owner who is in a leading position—with 20 to 40 percent of the shares—many small investors can also buy the rest of the shares. If we can solve this technically, and I am certain we will, this method will indeed speed privatization. This program also has another advantage, namely, that people can learn about the market economy with minimal risk. In my view, this is just as important as acceleration.

[Nagy] This kind of education will go on for years. Are you perhaps working for the next government?

[Szabo] That is certain. Privatization does not have a four-year cycle. Most of the work is being done now, but responsibilities will be left for one or two more governments. Looking at the various statements on this issue, I am convinced that the small investors program would be the first thing the next government would do if we had not started it. This is missing from the range of tools.

[Nagy] Do the European Bank for Reconstruction and Development, IMF, and World Bank participate in the program with loans or capital?

[Szabo] With both. We need many tens of thousands of dollars to develop the holdings, investment funds, and the institutional system of privatization. I am not talking about the costs of the small investors program. According to the initial calculations, the minimum participation fee ensures that it will be self-supporting. The information system is needed anyway, and the central budget finances this.

[Nagy] About the budget: Is it realistic to expect that the payments projected will be made to the state budget from the privatization revenues?

[Szabo] I remind you of the figures of the past: The revenue was 7 billion forints in 1990. We paid a little less than 20 billion in 1991 and a little more than 40 billion forints in cash into the state budget. This is a spectacular acceleration. The 1993 law prescribes a commitment of around 80 billion forints. Privatization is a market venture that contains risk. Some 28 countries around us have started to privatize with extreme speed.

[Nagy] While we sold the most desirable domestic enterprises.

[Szabo] Not quite. The nicest bits—including the MATAV and the banks—are still to come. What we need, however, is not to sell them and then "consume the income."

[Nagy] Does this mean that the budget will have to be changed?

[Szabo] It has serious elements of risk. It is a fact that to make the enterprises that we want to sell marketable, we have to improve them. It is more expedient to put the income from sales back into the enterprises than to ask for budget support. It is my professional and political conviction that the privatization incomes must not be spent on reducing the state budget deficit. Naturally, exceptions do exist but it is not good to improve the budget from privatization.

[Nagy] What is more important?

[Szabo] We should give guarantees to enterprises, settle their inherited loans, and free the enterprises from environmental pollution because this is the only way we can sell them well, and this is the only way they can operate. I emphasize that all sales are preceded by financial reorganization. Let us not forget that privatization is an extra resource and it is worth keeping it in the economy. Although I can add that credit consolidation, the Credit Guarantee Inc, filling up the development bank, and the State Property Management Inc. have already begun. Privatization revenues are meant for these purposes, both from a professional and from a long-term economic policy point of view. Therefore, the ongoing expenses have to be treated with care, by keeping these points in mind.

Skubiszewski Speech to Sejm on Foreign Policy

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[Address by Foreign Minister Krzysztof Skubiszewski to the Sejm in Warsaw—live]

[Excerpts] Mr. Speaker, may it please the House: I will commence my address by first indicating the priorities of our foreign policy. These priorities and foreign policy aims for 1993 ensue from the imperative to protect and support our basic national and state interests. Around these interests there exists, as I judge, a consensus of the main political and social forces in our country because this is a policy dictated by the Polish raison d'etre. The continuation of the main directions signifies activity for the sake of the attainment of strategic aims. The dynamism of our policy is expressed in the permanent adaptation of concrete activities, methods, and resources to opportunities, possibilities, and threats. We must take into account the fact that our task will not be easier or less complex than in previous years. Our own transformations have superimposed on them both the evolution and the revolution taking place in the international milieu. The condition for the effectiveness of our policy in the changing world will be a better intrastate support than hitherto. The point here is the condition and functioning of the economy and also of democratic state institutions. The most important thing is determination in the carrying through of reforms. [Word indistinct] from Poland a certain model of democratic transformation and simultaneously of a serious and significant partner.

Every failure, every manifestation of lack of consistency on our road of transformation, calls forth negative repercussions abroad and weakens our position. The role of Poland as a stabilizing factor in this part of Europe is highly beneficial for us, for it gives us a position allowing participation in the shaping of international relations in Central and Eastern Europe and the implementation of our important interests.

The priority directions of Polish foreign policy are the following: first, the maintenance and intensification of the integration of Poland with European and Euro-Atlantic institutions; second, the strengthening of security of Poland; third, the assurance of bilateral political and economic cooperation with Western states; fourth, the development of relations with neighboring states, including an active eastern policy; fifth, the building of the position of Poland in Central Europe in a regional group.

Mr. Speaker, after having enumerated these priorities, I will start with European integration. The strategic aim remains the tying of Poland with the European Community.

Poland has ratified an association treaty with the EC. The deadline for the implementation of the treaty on 1 January was not maintained by most of our EC partners. The states of the Twelve have concentrated their attention on the treaty on European union that was signed in Maastricht. This has deferred the deadline for the entry into force of the association treaty, despite its ratification by the European Parliament and a number of members of the Community. On the other hand, the transition agreement has meant that the trade decisions of the treaty are being implemented. Other of its norms are also being implemented, especially relating to political cooperation. We have carried on and are continuing to carry on considerable diplomatic activity, and we are counting on the quick ratification of the treaty. In numerous contacts with the EC Commission in Brussels and the states of the Twelve, we have sought to create more advanced cooperation, facilitating and preparing the future membership of Poland in the Community. Our postulates were presented together with Czechoslovakia—which then still existed—and the Hungarians in a memorandum by the three governments on 11 September of last year regarding the acceleration of the integration and the perspectives for joining. The stance of the Community Commission prepared before the meeting in Edinburgh on 11 December in many respects fulfills our expectations. This relates especially to the confirmation by the EC as the [words indistinct] but also their aim of the future membership of the states of Central and Eastern Europe in a European union. Further efforts are still required, especially in the face of a certain reserve on the part of certain states of the Twelve in relation to the perspectives for widening the EC. We are currently asking that the EC report dating from 1992 on the subject of relations between the EC and Central and Eastern Europe, which is favorable for us, be accepted to the maximum degree by the European Council—that is the summit of the Twelve—at its meeting in Copenhagen in June. We are currently concentrating on the reasonably best exploitation of the decisions of the transition agreement—next will be the European Treaty. I have in mind the widening of trade relations, the deepening of economic ties with the Community, the introduction of the changes postulated by Poland in the direction of the nonrefundable aid of the Communities, mainly for the support of investments—the PHARE program [Western economic aid package for East Europe]—and also the attainment of new credits in the framework of the program for the economic preparation of Poland for membership in the Community.

Progress in the liberalization of trade is necessary—the reduction of limitations on goods and improvement in access to Western markets for Polish agricultural products and other so-called sensitive products. In defending our rationale, we are conscious that Western countries are going through a recession and are looking out for their own interests, not infrequently narrowly interpreted. It is a fact that their concrete interests not infrequently differ from ours, and it is sometimes the case that they are contrary to them. We defend Polish industry and Polish agriculture. We simultaneously seek that the states of the Twelve not limit themselves to narrow economic criteria and that in their approach to

cooperation with Poland and other states of the Visegrad group [Czech Republic, Slovakia, Hungary, Poland] they take into account germane political factors, such as they did in the past with Spain, Portugal and Greece. We remind the Community that its calling is as the EC—European-wide. It ought to remain faithful to the ideals of its initiators and founders, great Christian statesmen, and not just reshape itself into a fortress that shuts itself off from the rest of Europe and contributes to a new division.

In the adaptation of our economy and legislation to the requirements of the association and the development of wide-ranging cooperation with the Community, the Sejm has an important role to play.

One of the significant factors bringing Poland closer to the European Communities ought to be the creation of a free trade zone between Poland and the states of the European Free Trade Association [EFTA].

We count on the liberalization of access to the markets of this group, and as a consequence for equal treatment of Polish exporters, on a par with members of EFTA. We count on the fact that the increase of trade with EFTA states will contribute to an increased interest by the entrepreneurs of these states in investments in Poland.

Mr. Speaker, I now move to security issues. I say this because association with the European Community is a very significant component of our security policy. Thus, alongside getting closer to the Community, ties with the North Atlantic alliance continue to mark the main current of activity of Polish diplomacy in the construction of the external preconditions for our security. With this in mind we have widened contacts and political and military cooperation with NATO and the member states of NATO. In contacts with NATO we will continue to seek the full exploitation of the possibilities that are created by the North Atlantic Cooperation Council. I will name here in particular the process of political consultations. Active participation in the Council strengthens the participation and role of Poland in the cooperation of the alliance with the states of Central and Eastern Europe. It is appropriate to expect a further material (?widening) of military cooperation, especially with respect to the training of Polish officers and also air control. In all these matters, cooperation, contact, and coordination between the Foreign Ministry and the Defense Ministry are close. [passage omitted]

Signs of increased readiness of some NATO member states to consider the issue of its expansion into Central Europe recently appeared. They are an expression of realism in the assessment of changes that are taking place in our region. We will be strengthening such thinking in contacts with our Western partners and Eastern neighbors, as our strategic aim is to join the treaty.

Poland has been participating in the work of the North Atlantic Cooperation Council, which is devoted to NATO's participation in peaceful or similar operations ordered by the United Nations or the CSCE. This is the field of international cooperation that gains a new and special significance in the organization of international security following the end of the Cold War. [passage omitted]

Bilateral treaties, and in general the policy of gradually tying ourselves to the Western European and North Atlantic economic, political, and military organizations, contribute these two components. [Words indistinct] they contribute to an increase of the external support of our security. In a wider degree, we seek to bring this aim closer through coparticipation in the creation of European and global security, which assumes active participation in the CSCE and United Nations. The fact that wars are going on in many member countries of both these organizations is becoming the source of wide-ranging skepticism, but skepticism and doubt cannot be allowed to dominate. [passage omitted]

We are active and will be active in favor of the functioning of preventive diplomacy, and also so-called monitoring—that is observation and control of military authorities—especially in the vicinity of Poland. We are certain that our accomplishments in the sphere of preventive diplomacy are recognized in Europe.

We are facilitating the role of Warsaw as a center of CSCE activity in the sphere of human rights. [passage omitted]

In the framework of the CSCE, we are seeking the full implementation of the signed treaties relating to disarmament and also the construction of trust and security. At the Vienna security forum we are undertaking or supporting initiatives that will strengthen European-wide security and also the cooperation of the CSCE with NATO and the Western European Union. Polish diplomacy devotes particular attention to the activities of the CSCE favoring the stabilization of the situation in our immediate vicinity, among other things through the adoption of the code for the behavior of states in the sphere of security and the military. Poland put forward its own initiative on this matter a few months ago. [passage omitted]

There is a need to identify international cooperation concerning the migration of people and the influx of refugees. One should assume that these problems will be accumulating and individual states as well as international institutions will have to deal with the migration of considerable groups of people, caused, among other things, by local conflicts.

Humanitarian aid and protection of immigrants' rights are just one side of this problem. The other side is formed by multifarious social and economic consequences that countries taking the immigrants have to cope with. Improvement of efficiency in actions in the humanitarian sphere will depend, to a large extent, on the coordination and efforts of countries and international organizations, especially the United Nations, CSCE, and the Council of Europe. [passage omitted]

Mr. Speaker, in the entirety of our foreign policy, a significant place is taken by the development of bilateral relations with the Western states. Alongside work on bilateral relations, we are concentrating on the attainment of support for our seeking of integration in Europe. We are systematically developing mutual legal-treaty ties.

Relations with Germany are arranging themselves decidedly well. Alongside traditional planes, new forms are arising, especially of regional and cross-border cooperation. We attach great weight to Polish-German cooperation in all spheres, and in the first place in the economic, technological, and financial sphere. A greater engagement of German capital is desirable, especially investments by large companies. For regional and cross-border cooperation, the activity of (?the Polish-German economic support association) will have an important significance. Youth cooperation requires new impulses, especially with the so-called new federal states. In association with the new policy of Germany on the matter of asylum-seekers and emigration, it is necessary to secure our interests with the aid of new accords. These accords are currently the subject of negotiation with the Germans, the negotiations are coming to an end, (?among other things with the interested countries). This matter has a priority character for our crucial interests and significant implications for our bilateral relations with Germany and other countries, and also for our relations with the European Community. The crucial national interests of Poland indicated by me are in this respect for us the decisive issue.

In (?relations) with France, further efforts with the aim of improving economic cooperation will be required. Its extent still does not correspond either to the economic possibilities or the level of political cooperation. It is appropriate to take into account the significant circumstance that France plays a fundamental role in the EC. We count on multifaceted cooperation with the new French Government in bringing Poland closer to the EC and the Atlantic Alliance—a matter that is so important to us.

Cooperation on the Paris-Bonn-Warsaw axis, which began in 1991, requires constant interest, complete development, and complete prestige. The preparation of the meeting here, this year, of the presidents and ministers of foreign affairs of France, Germany, and Poland has important significance. These will be separate meetings. The trilateral formula has already created an opportunity for long-term, deepened cooperation between the three states. [passage omitted]

Poland's relations with Great Britain are developing well. Our contacts have been subjected to intensification in association with the British chairmanship of the EC in the second half of last year. The British initiative for the meeting of the foreign ministers of the states of the 12 and the Visegrad Group also had great significance last year. Our economic cooperation is developing apace. [passage omitted]

May it please the House. Our relations with the United States: Two very important visits have just ended. President Lech Walesa stayed in the United States where he held talks with President Bill Clinton and other leading American politicians; and Vice President Albert Gore was our guest.

These first direct contacts on the highest level with the new U.S. Administration have confirmed that Polish bilateral relations with the United States will continue to be based on the principles of close and friendly cooperation. The United States fully understands the current situation in Poland, and especially the significance of Polish reforms for the fate of central and eastern Europe and the countries of the former USSR.

We were assured that the intensive Polish-American dialogue will be continued and that every initiative which will make it easier for our country to go through the reform process will receive President Clinton's administration's support.

Polish-American relations are the subject of our constant attention. Many contacts have contributed to the increased American interest in the issues of Poland's security and successful course of reforms. Cooperation in all spheres has developed, the military one included. Conditions for access to credits and the government's credit guarantees have improved. The U.S. stand has played a significant role in earmarking the stabilizing fund for the needs of Polish financial institutions. A new agreement on scientific and technological cooperation has been concluded.

Consistent implementation of reforms and the stabilizing role in the region will be our trump cards in the construction of a stable base for partner relations with the United States. In our cooperation with the United States we will strive to strengthen our security and to develop cooperation in the sphere of European security, including new anticrisis mechanisms within the CSCE and the UN framework, especially with the participation of NATO.

The dialogue with Washington will have essential significance for the development of our ties with the Atlantic Treaty. Poland invariably supports the U.S. military presence in Europe because this is clearly conducive to the security of our continent.

As far as the economic and financial sphere is concerned, priority is placed on increasing the flow of American capital to Poland as well as privileges for Polish goods and services on the U.S. market. The issue here is not only to remove temporary difficulties but, more significantly, (?to find) solutions which will bring about long-term mutual benefits.

In order to achieve this the Polish-American trade and economic treaty, signed as long ago as 1990 and still not binding, must necessarily come into force. This, in turn, depends on establishing in Poland international standards

of protection of rights to nonmaterial goods, pertaining especially to intellectual and industrial property.

Slow progress in legislative work on the new copyright law is the government's concern. The president of the Polish Republic wrote about this to the Sejm recently. Lack of the so-called antipiracy laws worsens the situation of U.S. property in Poland. The government calls on the esteemed House for an early completion of work on them by three Sejm commissions, work which is very carefully done. The commissions in question are: the Culture and Media Commission, the Legislative Commission, and the Science and Technological Advancement Commission. I will add here that this matter is not the only one which threatens us with an economic conflict with the United States. Among other things I will point out here the issue of customs duties as well as the antidumping procedures instituted against us concerning integrated (?circuits) products.

Mr. Speaker, I will now proceed with the report on our policy toward our eastern neighbors and the ramifications of this policy. The disintegration of the USSR and the emergence of a number of independent states aiming at a democratic political and economic transformation has changed Poland's geopolitical situation to our advantage and created a peculiar historical opportunity.

The strengthening and deepening of the democratic transformations and also the firming of the state independence of our eastern neighbors is in Poland's crucial interests. Thanks to this these states will become an integral and functional part of the European system in its various dimensions. Making this process real will fulfill the history of the construction of friendly international surroundings to the east and cooperating with Poland. Independent, democratic, and secure states for our eastern borders are also a factor in the independence, democracy, and security of Poland.

Speaking of the political and economic evolution to the east of our borders we must take into account various possible scenarios for this evolution. Such is the requirement of strategic thinking in politics. The deep systemic crisis in this zone causes a significant unpredictability in the development of the situation. In relations with the eastern countries, including Russia, we cannot ignore the existence of forces seeking the reconstruction of the former imperial order. It is in Poland's crucial interest, on the one hand, to support the democratic and independence-oriented forces in these countries, and on the other hand it is nonetheless in accordance with our raison d'etre and strategic orientation toward western civilization, and in relation to the possibly dangerous evolution for us to have to tighten institutional ties with the structures of the west—this in parallel with a priority treatement of the ties with the Euro-Atlantic security system.

Poland carries on its policy in relation to its eastern neighbors on the basis of respect for sovereignty, territorial integrity, justice, and also the fundamental rights of man and of national minorities. Poland avoids situations which would make it choose sides in conflicts among these states. The eastern policy brings paractical results through the creation of diplomatic and other relations, especially through treaties, with members of the CIS and with Georgia. This brings results through the creation of the bases for a systematic dialogue and for cooperation on various levels. [passage omitted]

We will be intensifying bilateral relations with all our eastern neighbors and also, so far as it is possible, outside of the European members of the CIS and also Georgia. Our aim is the reconstruction, where it is justified, of broken-off or weakened, necessary, sensible, and appropriate economic ties and also the creation of ties in new areas. The implementation of these goals should be favored by the creation in Poland of a world center for financing trade with the east. We should ascertain what concrete resources, relative to the post-Soviet states, will allow for the increase of our activity and will bring mutual economic and political benefits. The preparation of forms of close cooperation which would not require the commitment of material resources exceeding our possibilities would have important significance. This, among other things, relates to cooperation in the sphere of personnel training, the exchange of scientific and technical thought and economic and administrative experience, information about the exploitation of western aid. In this respect the Ministry of Foreign Affairs relies on the initiatives and cooperation of the Sejm and also extragovernmental institutions.

And now, a few words about particular states. I have already to a certain extent spoken about Russia. We will be continuing and developing our cooperation with Russia so far. In the economic sphere, the regulation of the question of mutual indebtedness is an important task, and the signing of a long-term economic agreement favoring the intensification of economic cooperation, including in this cooperation guaranteeing the supply of oil and gas from Russia in exchange for Polish goods. For the future of Polish-Russian economic relations the participation of Poland, together with the other countries of central eastern Europe, in the implementation of western economic aid for Russia would be important.

We will maintain high-level relations and we will also expand cooperation between various social, professional, and scientific groups. Poland has actively joined international initiatives in Kaliningrad Oblast and also in St. Peterburg. Our agreement with Russia on cooperation with Kaliningrad Oblast brings good results.

We anticipate intensification of political, military, economic, and sociocultural cooperation with Ukraine. There are special historical and cultural links between us and that state. We want the cooperation between Poland and Ukraine to serve the strengthening of the independent and democratic Ukrainian state. Particularly

important here is working out of appropriate forms of this cooperation. It should become a model of good neighborhood and close cooperation. Relations between independent Poland and independent Ukraine based on respect for sovereignty and mutual interests are becoming important factors of stability and security in our region and the whole of Europe.

We pay particular attention to cooperation with another eastern neighbor—Belarus. We are vitally interested in strengthening and developing the independent Belarus state. We have been and still are expressing readiness to intensify mutually profitable cooperation with Belarus.

I do not have to speak at length about the special relations between Poland and Lithuania and about the traditionally close relations with Latvia and Estonia. Poland will still be developing political and economic cooperation with those states which are again independent and close to us. We will strive to sign a basic treaty with Lithuania, a draft of this treaty, as this esteemed House knows, was sent to Vilnius some time ago and to improve the situation of Poles who are living there. This situation is now better than a year ago. Basic treaties have already been signed with Latvia and Estonia. They formed a good basis for the development of relations with those states, both bilateral and within regional initiatives. Poland becomes a vital stabilizing factor in this part of Europe by keeping good relations and developing cooperation with all states of the former Soviet Union, particularly, with our close eastern neighbors. This is our very important role in the all-European perspective.

This is fully appreciated by the West. We are in favor of an introduction of western standards in the east. Meanwhile, we will be undertaking all activities which prevent changing central Europe into a buffer zone and reduced security zone and prevent possible hegemonic influences.

May it please the House! Polish foreign policy, within its European orientation framework, has been systematically consolidating and still consolidates new regional ties. These are: the Visegrad Group, Baltic cooperation, and also the central European initiative which used to be called Hexagonal.

The division of Czechoslovakia complicated the situation but it did not stop cooperation within the Visegrad Group. The EC gives firm and constant support for this cooperation and positively assesses its contribution into the process of European integration. This means that the Visegrad Group not only does not delay rapprochement between states which form it and the [European] Community but it makes this rapprochement real. The EC has accepted for consideration the Visegrad Group's demands on transition from dialogue to political cooperation and on widening the cooperation by new forms.

Cooperation within the Visegrad Group has been expanded to cover security problems including [word indistinct] relations with NATO. We try to make these relations between our countries have concrete and practical dimensions. This attitude was expressed in signing an agreement on 21 December last year in Krakow on a free trade zone which has been gradually implemented since 1 March. An example of our cooperation was the recent coordination of positions on the decision to ban meat and livestock imports from our states.

The Benefits from good cooperation within the Visegrad Group are the result of political realities in this part of Europe. There is no external dictate or doctrinairism. This is a very practical cooperation.

In the Baltic region, we are paying particular attention to economic matters, environmental protection, increasing the safety of nuclear power stations, where there are plenty of them, regional planning, and also support for democratic institutions in the whole region.

The recent meeting of the Council of the Baltic Sea States confirmed the will of all the participants to restructure the Baltic region into a dynamic center of development in Europe.

The Central European Initiative, the former "Hexagonale": Despite the difficulties brought about by the armed conflict in the former Yugoslavia, we glimpse possibilities for continuing and developing cooperation within the framework of this initiative. This stems from, among other things, the greater possibility of implementing plans given the support of cooperation with the EBRD and the attractiveness of the Central European Initiative for new democracies in eastern and southeastern Europe. It could become a fruitful area for contacts with Belarus, Bulgaria, Romania, and Ukraine.

An expression of appreciation for the activity and the role of Poland in this grouping was the fact that we were entrusted—on Italy's initiative—with chairing the political consultations on the negative phenomena which accompany the processes of change linked to the migration of peoples, the uncontrolled movement of people, and manifestations of nationalism and xenophobia. I might add that the intention is to create a forum of exchange of information and not to harmonize operational activities, which is something which lies in the jurisdiction of the appropriate authorities. But such a development might yet take place.

Poland intends to continue being involved in the stabilization of the Balkans and in resolving the Yugoslav crisis. We shall give our support and participate in international initiatives aiming to end the conflict. I shall remind you here of our part in the observers' mission, the so-called monitors, and in the UN Peace Corps, and my own part in the mission of foreign ministers from countries of the Central European Initiative to the United States and the United Nations in December last year.

We fully support the international mission of the former prime minister, Tadeusz Mazowiecki, in his role of special rapporteur to the United Nations Human Rights Commission.

From this place the Polish Government again—with great firmness—condemns acts of manslaughter and other grave and mass violations of human rights, especially in Bosnia-Herzegovina. Those responsible for these acts must be made to answer before the courts.

The Polish Government believes that all necessary efforts should be made to support the highly endangered sovereignty of Bosnia-Herzegovina. Poland believes that the sanctions against Serbia and Montenegro should be strictly applied. We are in favor of a limited use of armed force in strictly defined circumstances.

Our participation in the work of the CSCE and the North Atlantic Council on elaborating an effective formula for broader than so far conceived peace operations refers also to the Yugoslav conflict.

May it please the House! The priorities of developments which I have presented here have not exhausted the wide spectrum of assumptions and activities which form part of our foreign policy.

Now a few words about other continents. Poland maintains political and economic relations with many and highly varied groups of states in Asia, Africa, and Latin America. One of the most important tasks is to deepen the political and economic cooperation with Japan. The conclusion of a new agreement with the IMF creates a certain chance for reviving credits and for more important Japanese investments in our country.

Apart from Japan, the expansion of contacts and the search for new forms of cooperation with the dynamically developing states of ASEAN will be of significant importance.

Economic contacts and political dialogue between Poland and China have been infused with new life. We attach great importance to their continuation.

We shall be making efforts to take advantage of the existing possibilities of expanding cooperation with Iran, Nigeria, and the Magreb countries.

A new situation, very advantageous for the development of cooperation, arose two years ago in the Republic of South Africa.

I am thinking of the process of democratic transformations in that country. Public opinion was recently shocked by the murder of one of the African National Congress leaders, Chris Hani, calculated, it is generally believed, to stop the democratic transformations in South Africa. Poland condemns criminal methods of political struggle and hopes that dialogue and continuity of reforms in that country, which is so important for the entire region, are maintained.

There is progress in the rebuilding and expansion of our cooperation with the Middle East countries. Polish diplomacy supports efforts for a successful holding of a Middle East peace conference.

Our relations with countries of Latin America are developing well. Among other things, an agreement has been reached with Brazil on reducing and restructuring Polish debts to that country. But we shall need further agreements with Latin American states which would remove the danger to our interests which results from the introduction, along with progress in regional integration, of preferences in goods exchange between Latin American states which makes our access to those markets more difficult.

Mr. Speaker, a few words about the United Nations Organization. We have entered a phase of creating a new international order which is based on the UN Charter. Poland will continue to take part in improving the functioning and gradual reform of the UN and strive for the full realization of the system of security provided for in the UN Charter. This will be furthered by strengthening our position in peacekeeping operations and joining in the new mechanisms for maintaining peace, such as preventive diplomacy, restoration of peace, and consolidation of peace once the conflict is over.

A review of the UN Charter has become rather topical these days. This is a difficult task and in my view at times fruitless, since in order to increase the role of the UN you don't have to change its rules, while a better contribution would be to make use of the potential already existing in the UN Charter. Review attempts may prove to be ineffective. Taking part in a debate on reform of the UN, including the Security Council, we are mindful of securing the interests of middle-sized states, including Poland.

May it please the House! An important part of our policy is, and must remain, environmental protection. The elimination of old confrontations permitted the reaching of a global consensus on environmental protection and development of this difficult dichotomy. It was expressed in documents adopted in the Rio de Janeiro conference last year. One must stress the realization of obligations adopted there and the efficient work of the commission on permanent development which has been formed for this purpose. Poland became a member of this commission. Environmental protection is of primary importance to us. It also concerns obtaining financial resources from ecoconversion. But this is very difficult.

Cooperation with the neighbors—the Germans, the Czechs, Slovakia, Ukraine, Belarus, Lithuania, and Russia —will be crucial in the realization of projects which are important for Poland. I should mention here a black triangle, the green lungs of Europe, the Silesia-Ostrava project. We plan to implement the program of environmental protection of the Baltic. We pay a lot of attention to our participation in the work on the nuclear

safety convention and the convention on states' responsibility for nuclear damage. We will be engaged, it is understandable, in initiatives which aim at increasing the safety of nuclear power stations.

Mr Speaker, I will now move to a short, from the very nature of things, reasoning on economic matters. Despite various difficulties Poland's connections with the world economy are being strengthened. Our relations with the EC and other economic and financial organizations of the Western world have been tightened. Coordination of the new agreement between Poland and the IMF, which is the basis for reduction of our indebtedness and credit aid from the IMF and its member states, is particularly important.

An agreement with the IMF will help in our efforts to have Poland transferred to the group of lower investment risk states. Another urgent task is to pass an appropriate act and create effective exports controls which will give us access to modern technology after Cocom lifts its restrictions in practice. If our efforts to become a member of the Organization for Economic Cooperation and Development, which in English is abbreviated as OECD, are successful, they will have great significance as evidence for our transformations. This, too, will have political significance.

Of ever greater significance is coordination in the field of treaty regulation of our economic relations with the EC, the EFTA countries, the United States, and the states of the Visegrad Group, as well as closer cooperation between the Foreign Affairs Ministry and the economic departments for effective realization of these treaties. These issues require different regulation.

There is no need within these walls to demonstrate specifically that foreign policy has to support long-term economic objectives. But is the reverse true? Does the state economic policy support foreign policy? In the eastern direction, that is, the direction which a long time ago I described as the development direction, there is still a lack of the basic—that is economic—factor of a greater and more significant dimension. We have to learn the skill of operating abroad with the economic instrument, specifically to learn to provide assistance. What I have in mind is that as you give, you should at the same time take. There are numerous models. Without economic activity we can only pursue our policy toward the eastern neighbors with difficulty. We keep on repeating, and rightly so, that we are unable to credit the trade with the east.

But should we not think about actions outside the state budget? About other means? Should there not be more inventiveness here? Specifically should we not think about creating outside the budget some sort of system of trade guarantees on the basis of resources of foreign origin? After all, these sources already exist, and within our reach.

Mr. Speaker, I would like to move to a few words about scientific and cultural cooperation, as well as our policy toward Poles abroad.

At present the most important task in cultural cooperation is to counter the threats which follow from the lack of money. Nonstate support is necessary, that is, activities through foundations, through companies, and so on, through the introduction of market mechanisms and better use of reserves at local levels. Procuring assistance from the EC and the EBRD will also be significant. Side by side with ongoing cultural and scientific exchange promotion we shall be implementing long-term tasks but they will concern the protection of the Polish cultural heritage abroad. These are very important objectives in respect of this heritage. Furthermore, we shall strive to satisfy the cultural and educational needs of Polish minorities, especially in the east, disseminate the Polish language and its literature, and verify text books. These are tasks closely linked with our broadly interpreted policy toward foreign Poles. Its essence consists in supporting all Polish communities in foreign lands. But the effectiveness of this policy depends to a significant degree on finding resources for pursuing the appropriate actions and for expanding consular facilities, especially in the east, while these resources look very bad.

Work on a new act on Polish citizenship also has to be resumed. Its content should be adapted to European standards. Actions aimed at increasing the effectiveness of protection of Polish citizens' interests abroad will be continued. We shall negotiate more consular conventions as required. We shall continue to strive for international regulation of Polish citizens' employment abroad and to maintain the position attained in this respect on the basis of already concluded agreements.

May it please the House! The preservation of the high level relations with the Holy See, which is the highest international moral authority, is of a great importance for Poland. We cooperate with the Holy See in support of peace and agreement, particularly on our continent. The signing and ratification of the Concordat is an important task for the near future. The Concordat will soon be presented to the Sejm. [passage omitted]

We will be meeting with increasing pragmatism from our partners. Despite our great problems and difficulties, they are treating us today as a normal state, as a state which is given less. Everybody takes into account their own necessities and less attention is paid to ours. The time of concessions, sentiments, and admiration is over. We need a sober and rational attitude. We have to be aware of dangers and opportunities. The success of our changes will determine what Poland will be in Europe and the world.

Thank you, Mr. Speaker.

Sejm, Senate Meet To Mark Anniversary

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[Text] Warsaw, May 2—Deputies and senators met today at a gala session of the Polish parliament to mark the 500th anniversary of the Polish Sejm. The meeting was chaired by Sejm and Senate speakers Wieslaw Chrzanowski and August Chelkowski.

In Chelkowski's belief, parliament is the indispensable element of the contemporary political system and one of the foundations of a democratic state. "Parliament reflects the state and the image of the nation, the sense of common responsibility for the state and the readiness to perform public service," he said.

However, he criticized legal solutions defining relations between both chambers of the parliament. In his opinion, the Sejm and the Senate should mutually respect their powers and the legality of procedures and decisions adopted by the other chamber. "The Senate should remain the stabilizing factor to balance the lively and changing political factor," he added.

Unlike the Senate speaker, Sejm Speaker Wieslaw Chrzanowski said he was convinced that the Sejm "has chosen a right way." Stressing that Poland is now a different country than it used to be four years ago, Chrzanowski did not conceal that deputies along with their constitu*ents are disappointed about the slow pace of reforms.

Expressing fear that this feeling might be commonly shared for a long period of time, he stressed that the reforms presently undertaken can only be compared with the greatest turning points in our history.

The resolution adopted by the parliamentarians in connection with the 500th anniversary of the formation of Polish Sejm says that "for over five hundred years Polish parliamentarism has lived through periods of glory and decay, it flourished and vanished. Its successes and crises illustrate the difficult history of the Polish nation. Sovereignty, democracy and law-abidingness constitute the basic values of contemporary Poland in which the Sejm and the Senate are playing and will play an important role. Poland has a long tradition of democracy and we will put every effort possible to live up to it."

The session was also attended by members of the government, a delegation of the Main Council of the Episcopate of Poland, members of the Polish Ecumenical Council, heads of other denominational unions, ambassadors accredited to Poland and authorities of Piotrkow, the town which hosted the first session of the Polish parliament.

Impact of UN Sanctions Reported

AU0305191693 Warsaw TRYBUNA in Polish 28 Apr 93 pp 1, 2

["rh"-signed report: "Sanctions Against Yugoslavia"]

[Text] "The change in the stance of the new authorities in Yugoslavia toward the negative decision of the Bosnian Serbs' parliament regarding the plan for a peaceful resolution of the conflict in Bosnia-Herzegovina submitted by Vance-Owen is something new," said Poland's ambassador to Yugoslavia, Jerzy Chmielewski, at the Ministry of Foreign Affairs.

Speaking about the introduction (on 27 April) of tougher sanctions against the new Yugoslavia in accordance with UN Security Council resolution 820, Ambassador Chmielewski expressed regret that the greatest losses in Polish-Yugoslav relations were in the sphere of contacts between people. All cultural, scientific, student, or journalists exchanges between the two states have already practically ceased. As a result of the sanctions, the Polish mass media lacks information about what is really going on in that country. Thus, the third CSCE basket is not functioning.

The ambassador, who has been in Poland for almost a year in line with the sanctions, stressed that our country wishes to maintain its traditionally good relations with the nations of former Yugoslavia and that once hostilities end, relations will also be resumed with Serbia and Montenegro.

The sanctions approved by the UN Security Council, which are are binding on Poland, have resulted in tangible economic losses for our country. Whereas in 1991, Poland exported goods worth $90 million to new Yugoslavia and imported goods worth about $80 million, following the introduction of the first sanctions exports fell to about $47 million in 1992 and imports fell to about $15 million. So far, the UN Sanctions Committee has granted Poland concessions for exports of pharmaceuticals, frozen fish, milk, and frozen fruit, vegetables.

However, the sanctions have hit the transit of goods hardest. As a result of the cancellation of investment and services contracts, our economy has lost about $50 million.

The decision that the government of the Republic of Poland is to make regarding the introduction of tougher UN sanctions must in harmony with Polish law.

Correction to Mass Media's Responsibility

WS3004125193

The following correction pertains to the item headlined "Mass Media's Responsibility Stressed," published in the 29 April East Europe DAILY REPORT, page 22:

Paragraph six, sentence nine, make read: ...which information we want to pass on and which we want.... (rewording for clarity)

Iliescu Welcomes Signing of Peace Plan

AU0305180593 Bucharest ROMPRES in English 1533 GMT 3 May 93

[Text] Bucharest ROMPRES, 3/5/1993—Romanian President Ion Iliescu congratulated Greek Prime Minister Konstandinos Mitsotakis, during a telephone talk, for the success of the recent international meeting in Athens on the situation in Bosnia-Herzegovina. The Romanian president appreciated the Greek premier's initiative to organise that meeting which succeeded in producing a positive evolution of the efforts to settle the conflicts in the zone of former Yugoslavia.

President Iliescu expressed also his hope that the signing of the Vance-Owen peace plan by the Bosnian Serbs' leader Radovan Karadzic would be followed by the approval from the Bosnian Serbs' Parliament, which should understand this is a necessary step in order to stop the military confrontation and to seek peaceful solutions for the problems in Bosnia-Herzegovina.

Iliescu Mediates in Government, Trade Unions Conflict

AU3004200193 Bucharest ROMPRES in English 1752 GMT 30 Apr 93

[Text] Bucharest ROMPRES, 30/4/1993—On the afternoon of April 30, at the Cotroceni Palace [presidential headquarters], negotiations took place between the Romanian Government and the leaders of six trade union confederations—Alfa, BNS [National Trade Union Block], CNSRL [National Confederation of Romania's Free Trade Unions], Fratia, Univers, Ceres, and the Federative Chamber of the Physicians—mediated by President Ion Iliescu.

The six trade unions asked for the president's mediation after the Thursday, April 29, negotiations at the government seat.

The trade unions' claims under negotiation refer to: elimination of the pay reference fund and canceling of the stipulation requiring taxes on social allowances, to the providing of an adequate pay- prices ratio, to negotiation of the minimal pay per economy in keeping with subsidies elimination, to guarantees that the minimal wages shall be paid, and to the provisions for an adequate budget for education, health, culture, and agriculture.

Depending on the results of the Cotroceni discussions, the general strike the six confederations scheduled for May 5 will take place or not.

Together with the Romanian president the negotiations are attended by: Premier Nicolae Vacaroiu, State Minister and Minister of Labor and Social Protection Dan Mircea Popescu, government special representative for the relations with the trade unions and employers Iacob Zelenco, and other government representatives and the leaders of the six above mentioned trade union confederations.

Vacaroiu: Border Recognition Key Issue With Hungary

AU0105170593 Bucharest AZI in Romanian 28 Apr 93 p 3

["Exclusive" interview with Prime Minister Nicolae Vacaroiu by Loara Stefanescu; place and date not given: "Social Claims Will Be Solved Two Years From Now"]

[Text] [Stefanescu] In your opinion, what can President Ion Iliescu do—in concrete terms and in addition to the attempts made so far—in the framework of the mediation asked for by certain trade unions?

[Vacaroiu] I am surprised that they asked the president to intervene. Why that? Over the past 10 days, I sent them three or four invitations to join me in dialogue, along with the other trade union confederations. There has been an arrangement between me and the trade union confederations—imposed by them when I came to power—a commitment not to discuss these matters separately with them but with all trade union confederations together, so as to avoid confrontations within their ranks.

On the one hand, you have 12 trade union confederations which, for three weeks on end, have worked together with us to finalize all aspects linked to eliminating subsidies and establishing a minimal salary. On the other hand, I considered the lack of solicitude of the other six trade union confederations and their refusal to participate in the dialogue as totally incongruous. As a matter of fact, the dialogue would have been the only way to tackle many of their claims, too. But I am not talking about claims of a general nature, which, to be frank, will only be solved two years from now, provided that the economy recovers.

President Iliescu might very well call them to a dialogue. In my opinion, there are a few points that can be still sorted out but not all of them. President Iliescu will probably tackle these points and we will try, as it is only natural, to solve as many wage- related issues as possible.

I would just like to tell you one thing: This government, through the very platform program of the Democratic National Salvation Front [FDSN], is duty bound to ensure the social protection of the employees and the people in general. This is what we are trying to do now but with discernment, much calm, and wisdom, to be displayed by both sides.

[Stefanescu] How do you assess the conclusion of the Romanian- Hungarian treaty and the reopening of Bolyay University and the Hungarian Consulate in Cluj-Napoca?

[Vacaroiu] Concerning the Romanian-Hungarian treaty—regardless of the various statements being made—we are at an advanced stage of discussions conducted at the level of experts. At the same time, there is a clause we will not renounce, namely the recognition of borders. This is the key issue. Any surreptitious attempt to exceed the boundaries of what has been convened at the level of experts will only further delay the speedy conclusion of the treaty. We are open to dialogue with our partners in Budapest and we expect to meet each other at an ever higher level to resume the talks from the point where we left them.

I consider the Hungarian request that we reopen Bolyay University and the Consulate in Cluj as an interference in our domestic affairs. As you know, Cluj University has many Hungarian language sections. I consider their insistent call for an independent university of the Hungarians from that region as unjustified. It is simply an imperious demand—something like if we were to ask them to open a university in Budapest for Romanians living in that area. Of course, this is one of their viewpoints. We can discuss it and I hope we can find a common denominator. I wish we were able to regain our calm and sit down at the negotiating table.

Melescanu Returns Home, Assesses World Tour

AU0305101093 Bucharest ROMPRES in English 0739 GMT 3 May 93

[Text] Bucharest ROMPRES, 3/5/1993—Minister of State Teodor Melescanu, minister of foreign affairs, returned on May 2 in the morning from a diplomatic tour started two weeks ago, that included official visits to the United Mexican States, the People's Republic of China, Singapore, and the Kingdom of Thailand, the participation in Washington in the ceremonies of inauguration of the Holocaust Museum, as well as an interview with his French counterpart during a stopover in Paris.

"The prevailing impression," the Romanian chief diplomat declared on arrival at the Otopeni Airport, "is that the countries in south- east Asia have an extremely dynamic development rate," being "one of the few zones of the world that marks constant progress, against the general background of stagnation and recession." Therefore, minister Melescanu considered that "we too, will have to pay specific attention to the development of the relations with these countries, in economy more particularly." The Romanian dignitary said that in all three states—China, Singapore, and Thailand—being accompanied by a party of 30 businessmen, he noted "an understanding of the evolutions in Romania and an outspoken wish to develop the relations with our country."

Referring to the United Mexican States, Teodor Melescanu emphasized their "twofold significance" for Romania: "It is a Latin-American country, in the sense of cultural heritage, and also a North-American country, engaged in a process of economic integration with the United States of America and Canada." "To us, Mexico is a double gate that leads both to Latin America and to North America, a gate which we will also have to use most skillfully," the Romanian chief diplomat added.

Minister Briefs Cabinet on Financal Situation

AU3004200593 Bucharest ROMPRES in English 1757 GMT 30 Apr 93

[Text] Bucharest ROMPRES, 30/4/1993—Over the first three months of 1993 Romanian industrial output increased in some branches of primary industry, and those increases are superior to last year's same period. A negative economic phenomenon is the accumulation of stockpiles in the manufacturing enterprises, amounting in February to 600 billion lei—shows the survey of the economic and financial situation over January 1-March 31 read at the government meeting of April 30 by Finance Minister [Florin Georgescu].

About budget operations it was pointed out that revenues were not rhythmic as planned, and revenues from profit taxes and the indirect tax on circulation of commodities had decreased while expenditures proceeded in keeping with budget forecasts. Thus a deficit has appeared amounting to 100 billion lei.

Romania's foreign public debt is $2.6 billion: $2.2 billion in state credits and $0.4 billion in credits for economic agents guaranteed for by the state. The domestic public debt was 481.6 billion lei on March 31.

Akmadic 'Might Take Over' Government From Izetbegovic

AU0405112693 Paris AFP in English 1101 GMT 4 May 93

[Text] Zagreb, May 4 (AFP)—Bosnian Prime Minister Mile Akmadzic is threatening that he and other ethnic Croats in the government might take over the republic's leadership as President Alija Izetbegovic, a Moslem, has "usurped his power."

Akmadzic made the threat in an interview published Tuesday [4 May] in the Zagreb daily VECERNJI LIST.

He says that he "does not rule out" the Croatian members of the government based in the southern town of Mostar "proclaiming themselves government of Bosnia-Herzegovina."

The Croats have set up their own government in the southern town of Mostar, which they have proclaimed the capital of the Croatian community of Herceg-Bosna, which the Bosnian president has refused to recognize.

He said a law exists allowing members of the government to take over power if the current leadership is not capable of fulfilling its role, which, he claimed, is the case with Izetbegovic.

Akmadzic said that "Bosnia-Herzegovina no longer exists as a legal entity as it no longer controls all of its territory even though it is recognized by the international community."

He also accused Izetbegovic of monopolizing international aid to Bosnia.

His statement reflected mounting tension in relations between Moslems and Croats who turned against each other last October and fought bitter battles last month.

Last week, leaders in Herzeg-Bosna refused to recognize Izetbegovic as the legitimate ruler of Bosnia.

Meanwhile Akmadzic has continued to act as prime minister although he and the majority of the Croatian members of government left the Bosnian capital of Sarajevo in December.

Karadzic Expects Assembly's Conditional Ratification

AU0305200693 Belgrade BORBA in Serbo-Croatian 3 May 93 p 3

[B. Mitrovic report: "Initialing After Guarantees That Maps Are Not Definite"]

[Text] Belgrade—"When it realizes what we realized, I hope that the parliament of the Serbian republic [of Bosnia-Herzegovina] will accept the Vance-Owen plan and that its implementation will start immediately. My signature will not be valid if the members of the assembly do not endorse it. This was also verified in the document signed by the cochairmen of the peace conference on Yugoslavia." This was stated last night by Radovan Karadzic, president of the Serbian republic, on his return to Belgrade [from Athens].

The plane with the delegation of the Serbian republic—which, in addition to Karadzic, consisted of Vice President Nikola Koljevic, Aleksa Buha, foreign minister of the Serbian republic, and assembly chairman Momcilo Krajisnik—touched down at Surcin at 1930 [1730 GMT] exactly. It had not been previously known whether their plane, like the plane carrying Milosevic and Cosic, would land at the military airport in Batajnica. Even Karadzic's bodyguards were trekking from one airport to the other. The president of the Serbian republic showed goodwill and immediately addressed the few reporters who were waiting there, while the other members of the delegation did not say anything.

"The meeting in Athens was less of a working meeting and more of a parade, something we did not want to happen. After we had analyzed their views and interpretations of the plan, there was, so to speak, a ritual signing of the plan, that is the initialing of the plan until our assembly meets. However, there was much activity outside the hall during which many things were clarified, and this enabled us to sign the agreement," Karadzic said.

In a reply to a question whether he was given any guarantees in exchange for the signature, Karadzic said that he was promised that the sanctions would be lifted soon, one after another.

"We will certainly not be able to carry out the demobilization of the police and the army if the sanctions are not lifted and the economy revived. Of course, those who were in Athens are not on the Security Council and cannot make this decision, but they can make recommendations. Future events will very much depend on this," Karadzic said, expecting the Serbian parliament, like Alija Izetbegovic recently did, to set some conditions under which it will ratify the plan. He said that the Serbian side will certainly be the most cooperative and energetic in the full and immediate implementation of the plan. He requested that observers be immediately sent to the front lines.

"Our signature was also influenced by some clarifications, that is, the guarantees that the maps are not the final thing. Therefore, they can be changed, even entire villages and towns can be exchanged. The Muslim or Croatian army will not be allowed to enter the territories from which the Serbian army withdraws. This will be done by UNPROFOR. Local police will be in charge of security. This police will be made up of the members of the nationality that lives in these areas at the time, and not the members of the nationality who constituted a majority there at the time of the last census," Karadzic said.

Responding to a remark that new threats are being issued despite the signature, and that the signature was not

enough for the crisis in the former Bosnia-Herzegovina to be resolved, Karadzic asked whether this was perhaps a message from Warren Christopher.

"We do not know anything about this yet, but if the signature is not enough, then let them come here and fight us—there is no alternative. If this is not enough, then there is no hope for us nor for the world. If someone has a weapon and has drawn his gun from the holster and cannot put it back without shooting, then he is conducting a gunman's policy and supporting gunman's philosophy," Karadzic concluded.

Belgrade 'Surprised' by U.S. Reaction to Karadzic Signature

LD0405115793 Belgrade TANJUG in English 1130 GMT 4 May 93

[Text] Belgrade, May 4 (TANJUG)—Diplomatic and political circles in Belgrade said on Tuesday they were surprised with the U.S. reactions to the outcome of the Athens conference which ended on Sunday with Bosnian Serb Leader Radovan Karadzic signing the Vance-Owen plan.

The U.S. has for months been putting pressure on the Bosnian Serbs to sign the plan, but hoped at the same time that they will not do so, the same circles said. Now that Karadzic has signed the plan, the U.S. is again dissatisfied and is trying to minimize the move, they added.

Some 20 days ago, a U.S. daily asked what could be worse than the Serbs not signing the Vance-Owen plan. The answer was—that they sign it.

The real question here is whether official Washington really wanted Karadzic's signature. Judging by the latest statements by U.S. officials and the European tour by U.S. State Secretary Warren Cristopher, Washington has hoped for a different outcome of the Athens conference.

Diplomatic circles in Belgrade underscored another important detail—that U.S. and Russian envoys Reginald Bartholomew and Vitaly Churkin, who were present in Athens during the conference, did not participate in the meeting. All results of the conference in Athens have been achieved within the "European family" and without the participation of the Americans.

Greek Prime Minister Constantine Mitsotakis has realized his idea for the conference with the consent and support by the EC. The conference opened at the time that Cristopher began to persuade the closest allies in Europe to back the U.S. military option.

In London, the first leg of his tour, Cristopher was given support to continue the policy of pressure on the Bosnian Serbs, including a military operation. But diplomatic circles in Belgrade recalled a statement by Lord David Owen—co-chairman of the conference on the former Yugoslavia, saying the Americans should rather search for a peaceful solution for what used to be Bosnia-Herzegovina instead of considering air strikes against Bosnian Serbs.

Owen's statement was not a coincidence as it is known that his statements usually contain what the E.C. does not dare telling the U.S. and that he speaks for both the E.C. and Britain.

Nevertheless, the international community's position on the sanctions against the former Yugoslavia is now of major importance. Yugoslavia's official stand is that, after the acceptance of the Vance-Owen plan, U.N. sanctions should be lifted completely and immediately and U.N. resolutions 757 and 820 revoked.

It is clear that developments will not take that course. At best, the U.N. security council could decide to lift the sanctions gradually and the Americans will play the main role also in this.

The council's president for may is Russia's delegate, giving Russia an opportunity to demonstrate in practice that it is part of Europe and to eliminate speculations about its unreserved support to the U.S. However, it seems that the E.C. might make the first move and stop implementing sanctions against the former Yugoslavia.

Muslim, HVO Commanders Meet in Jablanica

LD0305155693 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 3 May 93

[Report by Slavko Rako from Jablanica]

[Text] A meeting is underway at the UN Protection Forces [UNPROFOR] headquarters in Jablanica between the top commanders of the Croatian Defense Council [HVO] and Muslim forces. The HVO side is represented by Major-General Milivoje Petkovic, chief of general staff of the HVO Armed Forces; Ivan Pagaric, chief of the HVO medical staff; and Colonel Ilija Filipovic of the Central Bosnian Command. The Muslim side is represented by Bosnia-Herzegovina Chief of General Staff Sefer Halilovic and Vehbija Karic, member of the General Staff.

The issue under discussion is the situation in northern Bosnia-Herzegovina, in the Konjic area, where fierce clashes have been underway in recent days and weeks. The problems to be resolved include the evacuation of the wounded and the dead, the need for shelter for civilians, and a cease-fire. So far both sides have expressed good will to reach an agreement and to resolve all these issues as soon as possible.

Peace Plan Implementation Could Begin in June

LD0405114693 Belgrade TANJUG in English 1031 GMT 4 May 93

[Text] Geneva, May 4 (TANJUG)—The implementation of the peace plan for Bosnia-Herzegovina should begin in June if the Bosnian Serb Parliament endorses

the document at its Wednesday session, a senior Unprofor [UN Protection Force] official told TANJUG in Geneva on Tuesday.

The senior official of the United Nations Protection Force in the former Yugoslavia, who wish to remain unnamed, said that the ceasefire in Bosnia would not come into force 72 hours from the moment the Bosnian Serb Parliament ratifies the plan, as is specified by the military document of the Vance-Owen plan, but after the U.N. Security Council takes the necessary decisions.

If the Bosnian Serb Parliament endorses the plan, the U.N. secretary-general will inform the security council of its decision.

Should the Bosnian Serb Parliament ratify Karadzic's signature, the security council would sit in session next week, probably on Monday, to adopt a new document confirming that all the warring sides have signed the plan, the Unprofor official said.

This session would then be followed by another session, at which security council members would determine the contigent of "blue helmet troops" to implement the peace plan and set the budget for the operation.

Meanwhile, Unprofor Commander General Lars-Eric Wahlgren should meet the commanders of the three warring sides in Sarajevo to prepare the implementation of the Vance-Owen plan.

The Unprofor official, who had attended the Athens summit, confirmed expectations that around 70,0000 "blue helmet troops" would be sent to Bosnia-Herzegovina. He said that would be the largest operation in the history of the United Nations. The U.N. peace-keepers will spend at least two years in Bosnia-Herzegovina, the period in which the new constitution is to be adopted and elections held, the senior official believes.

The Unprofor official believes that the tensions between the three Bosnian nations (the Muslims, Serbs and Croats) will ease in the two years and that the U.N. peace-keepers will be able the gradually withdraw.

The deployment of such a large number of U.N. troops in Bosnia-Herzegovina would require billions of dollars, the Unprofor official said but did not want to comment where this money would come from.

Serb, Montenegrin Assembly Chairmen Invited to Pale Session

AU0405095393 Belgrade Radio Beograd Network in Serbo-Croatian 0900 GMT 4 May 93

[Text] Momcilo Krajisnik, chairman of the Serbian republic assembly, has invited the chairmen of the assemblies of the Republic of Serbia and Montenegro, Zoran Lilic and Risto Vukcevic, to attend the 30th session of the people's assembly of the Serbian republic, which is to be held tomorrow at 1000 [0800 GMT] in Pale. The invitation stresses that the assembly will again view the issue of the Vance-Owen plan.

UNHCR Evacuates 300 From Banja Luka

LD0305183393 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 3 May 93

[Text] The UN High Commissioner for Refugees [UNHCR] today evacuated by bus 300 people from the Banja Luka area to central Bosnia-Herzegovina, it has been announced in the UNHCR office in Zagreb. According to commissioner's spokeswoman Alemka Lisinski, 150 residents of Banja Luka's suburbs of Vrbanja, mainly Muslims, were evacuated from Banja Luka in five buses shortly before 1400.

These people had been subjected to all kinds of terror by the Serb authorities. Seven murders have been reported in the district since 27 March. Residents were denied the right of movement, electricity supply and phone lines were cut off, and they were not allowed to work in the fields, Alemka Lisinski said when describing the situation prior to the evacuation of the Muslims from Vrbanja. She added that Serbs demanded the payment of 100 German marks for adults and 50 marks for children for their free passage.

According to information from the UNHCR regional office in Banja Luka, around 34,000 non-Serbs remain in the area.

AFP Reports Shelling in Sarajevo

AU0305194193 Paris AFP in English 1924 GMT 3 May 93

[Text] Sarajevo, May 3 (AFP)—Bosnian Serb gunners bombarded Sarajevo Monday a day after their political leader put his provisional signature to an international peace plan for Bosnia-Herzegovina.

Hospitals reported one dead and 15 wounded in the early evening.

The shells ranged the length of the valley city as machine-gun and small-arms fire cracked out.

Tracer bullets could be seen sparking through the dark, and gunners of the mainly Moslem Bosnian army were firing back.

'Chetnik' Artillery Fires on Sarajevo

LD0305215893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 3 May 93

[Excerpt] Chetnik artillery targeted almost all parts of Sarajevo today. Currently, Serb guns are sporadically firing at Sedrenik, Vratnik, and Gazin Han. One person was killed and three wounded by an aggressor shell in Hrid today. Enemy snipers were also very active today, wounding one girl in Bentbasa and two persons on Princip bridge. [passage omitted]

Herceg-Bosna Protests Muslim Blockade of Croat Villages

LD0305175993 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 3 May 93

[Text] Responding to yet another refusal of the local command of Muslim forces in the northern Herzegovina area to allow Croatian Defense Council [HVO] medical teams free passage to Croat villages in Konjic municipality to evacuate dead and wounded residents, Jadranko Prlic, president of the HVO of the Croat Community of Herceg-Bosna, sent a letter today to the UN Protection Force, to the International Red Cross, to the UN High Commissioner for refugees and to the EC missions.

Muslim units and civil authorities, imposed by force and represented by the so-called war presidency of the Konjic municipality, are not permitting access to the villages under attack even though the above-mentioned missions of international organizations participated in negotiations about this humanitarian operation. The letter adds that the representatives and commanders of Croat units have permitted free passage to a commission and to a team for humanitarian relief of civilians in the village of Doljani near Jablanica, which is now under HVO control.

Muslim Units Continue 'Constant Provocations'

LD0305201793 Zagreb HTV Television in Serbo-Croatian 1730 GMT 3 May 93

[Excerpt] According to the Croatian Defense Council [HVO] operational zone, it is business as usual in central Bosnia today. This means that Muslim units are continuing their constant provocations and attempts at infantry breakthroughs. Snipers are also playing their dirty role, seriously wounding one person in Vitez.

As was agreed, the HVO released 720 Muslim civilians from Vitez. However, many Croats are still in captivity. In Zenica 300 Croats are being held captive and 38 Croat families have been expelled from the villages of Vjetrinica and Gornja Ladica. In the village of Visnjica in the Kiseljak area, a pit has been found in which murdered Croats had been thrown. According to the HVO operational zone, this was a clear case of genocide. [passage omitted]

Muslim Forces Attack Serb Positions Near Zepa

LD0305192093 Belgrade TANJUG in English 1855 GMT 3 May 93

[Text] Belgrade, May 3 (TANJUG)—Moslem forces on Monday launched a powerful artillery and [word indistinct] attack on Serb positions in the area of Zepa, eastern Bosnia, the Bosnian Serbs' news agency SRNA has reported, adding that the attackers were forced back.

The agency said that on the Sarajevo front besides intensive Moslem sniper activity Oheir artillery had also been active—civilian targets in the Serb village of Svrake (north of Sarajevo) were hit by 155mm howitzer fire.

Moslem snipers also targeted the Vogosca-Pale Road in the north-eastern part of the Sarajevo municipal area, and the Rajlovac Army Barracks, north-western Sarajevo.

Croat forces positioned near Samac in northern Bosnia, SRNA said, on Monday morning for about thirty minutes pounded Serb positions in the village of Brvnik with anti-aircraft machine-guns.

Muslim Attack on Kalinovik Repelled; 3 Serbs Killed

LD0405091793 Belgrade TANJUG Domestic Service in Serbo-Croatian 0822 GMT 4 May 93

[Text] Bileca, 4 May (TANJUG)—Muslim units launched an offensive on Kalinovik [Serb-held municipality south of Sarajevo] yesterday, attacking from the direction of Gvozno, Vrhovine, and Jakomislje. They were repelled and forced to withdraw suffering heavy losses, the Herzegovina Corps command [Serb forces] stated in Bileca today. According to Serb military sources, the fiercest clashes took place in the Lukavac area where Serb soldiers repelled a strong Muslim infantry attack, backed with artillery and mortar fire.

Three Serb soldiers were killed and three seriously wounded in last night's clashes. Also, one civilian was seriously wounded and two suffered light injuries.

Last night and yesterday, no major clashes were registered on other parts of the Herzegovina battlefield.

'Enemy' Ordered To 'Burn, Destroy, Kill' in Zepa

AU0405090293

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 4 May carries in its regular 13-minute newscast several reports on the fighting in the country.

The Zepa Press Center reports that "this morning at 0500 [0300 GMT] Zepa started burning. Large enemy armored and mechanized forces from Han Pijesak, Borike, and Visegrad that used to be tied to the fronts at Srebrenica, Konjevic Polje, and Cerska have been sent to Zepa. Everything is on fire. Over 40,000 unarmed people are totally surrounded. We beg President Izetbegovic, the Bosnia-Herzegovina Government and Armed Forces, Mr. Morillon, anybody who can send urgent help, to do so for the sake of these innocent people." The report further says that "a Chetnik message has been intercepted, a strict order to burn, destroy, and kill everything around before the U.S. forces assume protection of this area."

Reporting from Maglaj, Hajrudin Sermic says that "the attacks on the free Maglaj territory are intensifying. Yesterday evening the Chetniks pounded the civilian

targets in Novi Seher, Cobe, and (?Kocike) with tanks and howitzers from their stronghold in Kremen. The city came under mortar attack, while the defense positions in Stari Grad and Ulicnjak were exposed to fire from hill guns, antiaircraft guns and machine guns. However, the fighters of the 201st Hill Brigade of the Bosnia-Herzegovina Army and the 111th Brigade of the Croatian Defense Council have repelled all these attacks and are holding the defense lines firmly."

The Gradacac Information Center reports that "movements of vehicles and the grouping of the aggressor's forces have been noticed around Zelinja Gornja, Porebrice, and (?Grabov Gaj). The morning is relatively peaceful around Gradacac, even though there are some small arms provocations on the northern part of the front."

The Information Service of the Second Corps Third Operative Group reports from Kladanj that "the intensity of the fighting has let up somewhat. There was some small arms fire during the night, and two mortars landed on our positions, but our fighters did not respond to these provocations."

The studio announcer says that "yesterday was one of the worst days on the Olovo front since the start of the aggression. At 1800 exactly, the Chetniks literally showered the town with howitzers, mortars, and guns. This bestial orgy went on very late into the night. The result of this was one killed boy and four severely wounded civilians. So much for the Chetnik contribution to peace on this front."

UNHCR Convoy Reaches Gorazde, Another To Go to Zepa

AU0305162493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 3 May 93

[Text] Anthony Land said today that after a three-day struggle with Chetnik commanders, the head of this operation, Larry Holingworth, managed to negotiate free passage for a humanitarian convoy for the starving population of Gorazde. The search of the UNHCR [Office of the UN High Commissioner for Refugees] convoy, which this time did not have an armed UNPROFOR [UN Protection Forces] escort, lasted up to two and a half hours for each truck, said the head of the Sarajevo branch of this organization.

According to Anthony Land, this is the first ground convoy after two months, and it carries around 70 tons of food and medicine. After the Gorazde convoy managed to get through, the head of the Sarajevo UNHCR office announced today that the next convoy would be heading for Zepa.

As soon as Larry Holingworth and his team get back from Gorazde, we will send a convoy to Zepa, which is in just as serious a situation as Gorazde. We still have not decided whether we are going to Zepa without an armed UNPROFOR escort, because the most important thing is that we enter the city, said Anthony Land.

The UNHCR's movements around Banja Luka, where we have a small office, are limited, said the head of the UNHCR office in Sarajevo at a news conference today. We have no clue what is actually going on in Banja Luka. The only thing we can claim with some certainty is that the non-Serbian population is under great pressure. If they decide that they want to leave the city, they can only do so by way of a very long procedure, which obliges them to leave everything they have to the local authorities and leave with only the bare minimum. They are sometimes allowed to take one suitcase each.

We have informed the international public about all this, and we have shown pictures of concentration camps in this area, but I suppose this is not as interesting as reports from the front lines, said Anthony Land. We have managed to establish our office under great pressure and under almost impossible work conditions, since we are not even allowed to move freely around the city, let alone outside of it, added Anthony Land.

Continued Fighting Reported in Zvornik, Brcko

AU0405093893

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0900 GMT on 4 May carries in its regular 5-minute newscast two more reports on the fighting in the republic.

In his report from Zvornik, Hasan Hadzic says that "throughout yesterday, the free Zvornik territory was exposed to intensive shelling from the enemy artillery. About 150 missiles were fired from the region of (?Savici) at Skakovica. A (?T-55) tank fired at the civilian targets in (?Visinica). This morning brought new explosions and new destruction. We still have no word on the casualties."

The Brcko Press Center reports that "the Chetnik artillery and tank attacks, supported by small arms fire, continued throughout the night. The aggressor used recoilless guns, 82-mm and 120-mm mortars from Cadjavac, Suljagica Sokak, and Grbavica, a hill gun from (?Pekici) to pound Omerbegovaca, Dizdarusa, Rijeke, Licki Most, and Lipovac. Over 200 mortars [tromblon] were also fired at Lipovac. T-34 tanks and 82-mm mortars from Grbavica fired at Brod, Brodusa, Stari Rasadnik, and the free part of Suljagic Sokak. A 40-mm antiaircraft gun and M-84 machine gun from Lukic fired at the defense positions of Bajici."

Krajina Serbs Launch 'Worst' Attack at Bihac

AU0405110293

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 GMT on 4 May carries in its regular 19-minute newscast several reports on the fighting in the republic.

Reporting from Gracanica, Izudin Durakovic says that "during the night and this morning the worst fighting was reported on the Lukavac front. The aggressor from Mount Ozren used all available artillery to pound the defense lines in Poljik, Turija, Devetak, and (?Dobosnica). Over 100 shells landed on these parts. Doboj was quieter with sporadic small arms provocative fire at the defense lines and several tank shells landing on civilian targets. Early this morning movement of enemy forces was registered from the direction of (?Duge Njive)."

From Tuzla Enes Osmancevic reports that "there have not been many combat activities this morning. The general alarm was sounded in Banovici at 0920 [0720 GMT] as the town came under a Chetnik attack. The enemy artillery and mortar attacks on this commune have intensified since this morning, after our defenders halted Karadzic's terrorists' attempt to carry out an infantry breakthrough in the region of (?Osijecani)." He says that "according to reports from Kalesija, it is a bit quieter in this area but the outskirts are occasionally under attack by the Mount Majevica Chetniks. This morning Celic is under heavy fire from snipers in Mirosavci. The renewed concentration and regrouping of Chetniks has been registered around Celic."

From Teslic an unidentified correspondent reports that "it has been particularly fierce on the Novi Seher front. The enemy has been firing with antiaircraft machine guns, small arms, and snipers at the defense lines, but the lines are stable and unchanged."

In his report from Bihac, Mehmedalija Zulic says that "this morning at 0500 the fiercest artillery and infantry attack so far has been launched from the so-called Serbian autonomous region Krajina at the defense positions of the 521st Brigade of the Bosnia-Herzegovina Army Fifth Corps. Over 200 destructive shells have so far landed on the region of Velika Kladusa, Glinica, and Bosanska Bojna. An enemy attempt at an infantry breakthrough was halted, and the defenders launched a counterattack, damaging one tank and neutralizing three enemy artillery nests. A number of Chetniks have been eliminated. The fighting is in progress and the situation is under our defenders' control."

The Sarajevo studio announcer says that "it has been generally quiet this morning, but just before 1100 one mortar landed in Dobrinja Three. Sporadic small arms fire can be heard on the outskirts of Stari Grad. Citizens are warned to be wary of the snipers at the intersections."

Commanders to Tour War Zones, Try To 'Calm' Situation

AU0405094893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 4 May 93

[Text] At the meeting yesterday in the headquarters of the Spanish UNPROFOR battalion in Jablanica, Sefer Halilovic, commander of the Supreme Command of the Bosnia-Herzegovina Army, and Milivoj Petkovic, commander of the Headquarters of the Croatian Defense Council [HVO], issued a strict order to all units of the Army and the HVO to observe the cease-fire.

In order to calm the situation in Jablanica and Konjic, the two commanders have agreed to tour today those parts that have been the scenes of fighting. Teams have been formed for the evacuation of the wounded and the alleviation of the tension. Halilovic and Petkovic have again shown determination and a desire to put a halt as soon as possible to the clashes between the Army and HVO units, as has been done in central Bosnia.

Hadzic: Serb Republic Will Accept Peace Plan

LD0405143393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1318 GMT 4 May 93

[Text] Belgrade, 4 May (TANJUG)—We expect that the Serb republic parliament will accept the Vance-Owen plan after receiving new guarantees and taking into account the interest of the entire Serb nation. Goran Hadzic, the president of the republic of Serb Krajina [RSK], stated this to TANJUG today.

"I think that President Karadzic made a good move when he signed the Vance-Owen plan, thus preventing our enemies from attacking us militarily," Hadzic said adding that the document was signed rationally and not as a result of pressure since "Serbs cannot be influenced by threats."

Commenting on the Geneva negotiations, Hadzic stressed that the RSK has received firmer security guarantees for a 30-km security belt around Krajina in accordance with the original Vance plan [for Croatia]. "The presence of the UNPROFOR [UN Protection Force] monitors along the demarcation line will be increased in line with the RSK wishes," Hadzic stressed.

Government Agrees to Serb Cease-Fire Conditions

LD0405143693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1323 GMT 4 May 93

[Text] Geneva, 4 May (TANJUG)—Croatia has approved the guarantees which the delegation of the republic of Serb Krajina [RSK] set as a condition for the acceptance of the agreement on the implementation of Security Council Resolution 802, TANJUG has learned from well informed sources at the conference on the former Yugoslavia.

After consultations last night with Swedish General Lars Wahlgren, UNPROFOR's [United Nations Protection Forces] chief commander, Croatian Defense Minister Gojko Susak agreed that the Croatian army should withdraw 10 km away from the line of separation between the RSK and Croatia, and that UNPROFOR should increase control in the demilitarized area, according to sources.

After being given these guarantees, the RSK can convene an Assembly session in order to adopt the cease-fire agreement which its delegation signed on 6 April in Geneva, circles at the international conference on the former Yugoslavia assess.

The agreement will come into effect as soon as the parliament approves it. In other words, this means that a cease-fire will come into force four days after the RSK Assembly session, and within 10 days from that Croatia should withdraw its troops from the territory which it attacked on 22 January.

Committee for Normalizing Ties With Serbia Established

LD0305180593 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 3 May 93

[Text] In an attempt to normalize relations and resolve problems in a peaceful way, the Defense and National Security Council of the Republic of Croatia has appointed a State Committee for the Normalization of Croatian-Serbian relations; its constitutive assembly was held today.

As Committee Chairman Josip Manolic stressed in his introductory address, the sovereign state of Croatia has constitutionally determined the rights of national minorities, specified them in a constitutional law, and tried to resolve problems caused by the war by a law on pardon. Members of the committee—prominent Croat and Serb intellectuals—pointed to the importance of the founding of such a body for the implementation of the state strategy for Croatian-Serbian relations. The committee's guidelines for work were defined today, and a proposal was set forth to determine the political criteria for defining specific tasks. It was particularly underlined that the committee is open to all suggestions regarding the normalization of Croatian-Serbian relations.

Supreme Court Confirms Sentence on 'War Criminal'

LD0305193693 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 3 May 93

[Text] Ivica Pleset, president of the Sisak regional court, issued a statement today saying that the Supreme Court of the Republic of Croatia, following criminal procedure of the second degree, has entirely confirmed the first degree verdict of the Sisak court whereby Slobodan Tarbuk of Petrinja, a war criminal and commander of the Banija Corps of the terrorist-rebel units fighting for greater Serbia, was sentenced to 20 years of imprisonment.

Slobodan Tarbuk was tried as a high-ranking military commander of the former Yugo-army for war crimes committed against the civilian population. On 16 September 1991 he ordered the units under his command to open fire from artillery and other weapons on civilian targets in the town of Petrinja. Several citizens were killed in the attack, a number were injured, and extensive damage was caused to residential and industrial buildings and cultural monuments of Petrinja.

Dr. Davor Skugor, defense lawyer by official duty, appealed against the first degree verdict, but the Supreme Court of Croatia rejected the appeal and confirmed the verdict.

Federal

Political Opinion Divided on Signing of Peace Plan

LD0305174393 Belgrade TANJUG in English 1706 GMT 3 May 93

["Pool" item]

[Text] Belgrade, May 3 (TANJUG)—The majority of the opposition parties and politicians in the Federal Republic of Yugoslavia on Monday approved the decision by Bosnian Serb leader Radovan Karadzic to sign the Vance-Owen peace plan on Bosnia-Herzegovina in Athens on Sunday, while considerable reservations were expressed in Eastern Herzegovina.

Vojislav Seselj, leader of the Serbian Radical Party (SRS)—the biggest opposition party in the Yugoslav and Serbian Parliaments, said that the Bosnian Serb Parliament must not ratify Karadzic's signature on the Vance-Owen plan.

"They should not give in the pressures even if they were exerted by Belgrade," said Seselj at a meeting of Montenegrins and Herzegovinians near Niksic in the Yugoslav Republic of Montenegro.

President of the Democratic Party Dragoljub Micunovic said that all political factors should influence the Bosnian Serb Parliament to ratify Karadzic's signature at its session scheduled for Wednesday.

Micunovic told a news conference that "extremists" who advocate a continuation of the war, including the SRS and "all those who were against the Vance-Owen peace plan," should be neutralized.

President of the Serbian Renewal Movement (SPO) Vuk Draskovic doubted that the Bosnian Serb Parliament will accept the Vance-Owen plan.

We should now ask ourselves why the plan was not signed at the previous session of the Bosnian Serb Parliament on April 26, which would have saved the Republics of Serbia and Montenegro from sanctions, Draskovic told the independent TV station Studio B.

Vice-President of the Serbian Democratic Party (DSS) Dr. Radoslav Stojanovic told TANJUG that the signing of the Vance-Owen plan means defeat of the regime's policy and expressed hope that this will not mean a defeat of the Serbian people as well.

Member of the Federal Parliament Borisav Jovic told the independent TV station Studio B that a basic pretext for lifting of sanctions against Yugoslavia was created and that the way towards permanent peace in Bosnia-Herzegovina was long and difficult.

Since the Bosnian Serb Parliament did not accept the Vance-Owen plan in its entirety on April 26, the U.N. Security Resolution 820 on tightening the sanctions against Yugoslavia took effect.

The League of Communists-Movement for Yugoslavia (SK-PJ) said that the end of the peace conference in Athens was an important but not decisive contribution to the establishment of peace in Bosnia.

Radmilo Bogdanovic, vice-president of the Chamber of Republics of the bi-cameral parliament of Yugoslavia, said that Karadzic's signing of the peace plan helped avoid a military intervention in the Serb-controlled regions of Bosnia-Herzegovina and that the world pressure against Yugoslavia should now ease off.

President of the National Party of Montenegro Novak Kilibarda said that Karadzic's signature on the plan does not only mean that a tolerant situation in Bosnia-Herzegovina and easing of sanctions against Yugoslavia have been reached, but that war mongers and paramilitary profiteers have been removed from the centre of the stage.

The first reactions of the people and politicians in Eastern Herzegovina (Bosnian Serb republic) are that Karadzic's signature on the Vance-Owen plan was forced by the unprecedented pressure of the West.

The prevailing opinion in Herzegovina is that the Bosnian Serb Parliament will verify Karadzic's signature on the Vance-Owen plan only under a condition that Bosnian Serbs are offered some concession.

'Skepticism' Concerning Acceptance of Peace Plan

LD0405081393 Tehran IRNA in English 0706 GMT 4 May 93

[Text] Belgrade, May 4, IRNA—Despite relief in Serbia-Montenegro since the initialling of the Vance-Owen peace plan by leader of the Bosnian Serbs, Radovan Karadzic, in Athens Sunday, there is still widespread scepticism in the former Yugoslavia that there will be any speedy implementation on the ground. The feeling is borne out by continuing hostilities in Bosnia-Herzegovina.

Leader of Serbia's largest opposition party in Serbia, Vuk Draskovic, told independent Radio B-92 Monday that he considered that Bosnia was still far from peace. "I would like to believe that a metamorphosis has taken place, but I doubt it," Draskovic said, quoting Serbian and Bosnian leaders, now making statements of peace, who last week warned that anyone who agreed to the plan for Bosnia was a traitor.

Following tremendous pressure on the Bosnian Serbs to re-think last week's rejection of the plan, Karadzic provisionally initialled the document, subject to acceptance by his rebel parliament's convening again on Wednesday, at the Serb stronghold of Pale, near Sarajevo.

"I think Serbian President Milosevic and Federal President Dobrica Cosic should go to Pale and explain their change in attitude to the parliament," Draskovic said.

Karadzic's acceptance came too late to save Serbia-Montenegro from swinging sanctions imposed by the UN for its support hitherto to the rebel Serbs. The sanctions, the radio says, are to stay in force until the peace has been seen to be implemented.

The imminent crash of the shaky economy, the seizing of financial assets abroad coupled with the threat of Western air strikes against Serbs in Bosnia convinced leaders Milosevic and Cosic to support the plan. Their agreement implies the withdrawal of Serbian military and logistic aid to the rebel army.

Speaker of the "Serb parliament", Momcilo Krajisnik, said Monday that the plan would not be adopted in its present form. Apart from more territory, Serbs are holding out for contiguous enclaves joined by a corridor only under their control to Belgrade.

According to Radio B-92, the corridor will be granted but only under rigorous international control. This would consist of special patrols of troops trained for fast and effective action, the radio said. Serbs have already rejected a "softer" version of this.

Two members of the Bosnian-Serb "parliament" said Monday that Wednesday's meeting would certainly not reconsider their decision and sign the plan. Another said that Karadzic's signature was only important for the world community. "Nothing can stop us now," he added.

Serbs already own 65 percent of Bosnian territory and will not be content with 45 percent allotted to them under the plan, the vice-chairman of a nationalist party said here Monday.

Karadzic himself said that he expected "a very difficult time" on Wednesday. "But I still hope that the majority of delegates will vote for my signature in Athens," he said. Continued American threats of military intervention might encourage delegates to withhold support for the peace plan, he added.

A close aide of President Cosic denied Monday that he had said that Karadzic had signed his own death warrant by accepting the peace plan. "He has perhaps committed political suicide," he said.

Commander-in-chief of the UN peace-keeping forces (UNPROFOR) in the former Yugoslavia, Swedish General Lars Erik Wahlgren, has applauded Kardadzic's decision and called for immediate UN action to implement peace. A UNPROFOR representative in the Bosnian capital of Sarajevo Monday expressed cautious optimism. Forces around Sarajevo airport and those escorting aid convoys "have a feeling that things have started to change," Barry Frewer said.

The peace plan, if it is accepted, will need an additional 50,000 UN troops to implement it, according to UN sources who point out that the use of force would endanger the humanitarian mission here.

In an inflammatory speech made in the Sandzak, an area between Serbia and Montenegro with a large Muslim population, leader of the Serbian Radical Party, Vojislav Seselj, fulminated against the signing of the peace plan in Athens and threatened to call Serbs to arms. The fatherland was in danger, he said, the Serb land in flames, and dark forces had conspired to kill off Serbs and separate them from Montenegrins.

He warned Muslims in the Sandzak and Kosovo that they would be welcomed only as "loyal citizens" and that they were not to dream of any special status for either area. The international community supports special status because of the consistent violation of human rights in these areas by Serbia.

Seselj, whose Radical Party was victorious along with Milosevic's Socialists at last December's elections, commands sizeable troops of paramilitaries in Croatia and Bosnia. He has now renounced his loyalty to Milosevic, whom he deems no longer patriotic.

According to Radio B-92, the state television loyal to Milosevic and up to now a leading means of incitement to war, has received instructions, along with TANJUG news agency, to no longer broadcast statements by extremists such as Seselj. "Television Bastille," said Radio B-92 in an ironic commentary, "has received instructions to prepare Wednesday's meeting according to today's new policies."

Leading socialist functionaries in Belgrade issued statements on Monday saying they saw no reason why the Bosnian Serbs would not accept the plan.

Meanwhile, according to UNPROFOR Sarajevo, the ethnic cleansing of the Serb stronghold of Banja Luka in northwest Bosnia continues. 200 muslims have been forced to leave the town. They were also obliged to pay 100 German marks per head for transport and 50 marks for children. 30,000 Muslims have left Tuzla already, Radio B-92 said.

News from Travnik, central Bosnia, said that refugees spoke of houses burned and men killed by paramilitary formations, the radio said. 20 muslim women were said to have been massacred.

Because of clashes between Croats and Muslims, nominal allies in the war, roads in central Bosnia are unsafe, hampering aid deliveries from Croatia, says Radio B-92.

Radio Sarajevo Monday said that Croats continued artillery and sniper attacks on Muslim forces and civilians in Konjic and Jablanica. The same source says that Croats fired on members of the Muslim authorities from Tuzla who were travelling between Konjic and Jablanica Sunday. An unknown number was killed or wounded, while members of the authorities, Islamic clergy and a

Muslim army deputy commander were captured, together with three vehicles and a sum of money.

A UN humanitarian convoy with 70 tonnes of food arrived for the first time in two months on Sunday in the besieged Muslim town of Gorazde, east Bosnia, the radio reported. As yet there are no reports on the state of the town and its 40,000 inhabitants. Serb forces have successfully managed to bar relief of any kind from reaching Gorazde or the town of Zepa, in the same area. The convoy proceeded at high risk without a military escort, UN sources said.

Army Chief Condemns Military Interference

LD0305141093 Belgrade TANJUG in English 1249 GMT 3 May 93

[Text] Belgrade, May 3 (TANJUG)—Chief of the General Staff of the Yugoslav Army Gen. Zivota Panic on Monday met with a British parliamentary delegation and reiterated his support to the peace plan for Bosnia-Herzegovina signed by the Bosnian Serb side in Athens on Sunday, said a statement issued at the General Staff.

General Panic and members of the delegation, currently on an official visit to the F.R. Yugoslavia, condemned all forms of military interference in the Bosnian crisis, especially possible unilateral military operations in the former Yugoslavia, the statement added.

Cosic Expresses 'Delight' With Klaus Stance on Crisis

AU0405073693 Prague LIDOVE NOVINY in Czech 29 Apr 93 p 4

[CTK Belgrade dispatch: "The Neighbors Will Observe the Embargo; Cosic Is Disenchanted With Vaclav Havel's 'Eagerness To Fight'"]

[Excerpt] Belgrade—[passage omitted] Yugoslav President Dobrica Cosic yesterday declared that the Federal Republic of Yugoslavia would continue to strive to make Bosnian Serbs sign the Vance-Owen plan. Replying to a CTK question regarding his view of the Czech Republic's position on the Yugoslav crisis, Cosic expressed his delight with Prime Minister Klaus's Tuesday [27 April] statement, "which differs from President Havel's position." He said that he was glad that more reasonable and realistic views were now appearing among Czech politicians. On the other hand, Cosic is "disenchanted with Vaclav Havel's statements and his eagerness to fight."

Seselj Views All-Serb Convention, Bosnia

AU0305172693 Belgrade BORBA in Serbo-Croatian 21 Apr 93 p 11

[Interview with Vojislav Seselj, leader of the Serbian Radical Party, by Cvijetin Milivojevic and Miroslav Mikuljanac; place and date not given: "Pressures Will Continue for Another 20 Years"]

[Text] [BORBA] What attitude do you think our country ought to take on the situation that might come about after 26 April?

[Seselj] We expected that resolution, because we know that the Americans and other Western countries will not stop until they accomplish all their goals, or until we, the Serbs, convince them that they shall not break us and that we shall endure all the pressures, and resist them. The U.S. goal is to create a Balkans void of any strong country, leaving only many crushed, tiny states. Since we are an obstacle to their aspirations, they will do anything to crush us.

The Serbian Radical Party [SRS] suggested, as early as last year, that we should terminate all negotiations with the West as long the sanctions are in force. We suggested that when the EC sanctions were in force, we suggested that when the Security Council passed the first set of sanctions last May. Nobody listened to us—and now we are in an even worse situation. What more is there to discuss with somebody who punishes you in such a way? Are we supposed to Kneel, or what?

The most severe sanctions are certainly coming. We received an ultimatum—either the Bosnian Serbs sign the plan or the sanctions will be tightened. The Bosnian Serbs are not going to sign it. That would be suicide for the entire Serbian people, but it seems that the West actually demands collective suicide from us. Since we are not going to do that, what remains is for us to withstand, to fight.

All-Serbian Convention in Sight

[BORBA] The Krajina Serbs are announcing the All-Serbian Convention as one of the indirect responses to the international community's pressure...

[Seselj] The SRS also supports that proposal, while the town of Novi Sad, where our party has a majority, offered the facilities for that convention. The official invitations have been sent by Momcilo Krajisnik, chairman of the assembly of the Serbian republic [RS], to the assemblies of Serbia, Montenegro, and the republic of Serbian Krajina [RSK]. Of course, first there must be some preparations, and consultation between the representatives of the four assemblies.

[BORBA] According to a statement made by Goran Percevic, vice chairman of the Socialist Party of Serbia [SPS], the SPS and the Serbian Renewal Movement have some reserves about the conference. It is interesting, however, that Dragoljub Micunovic's Democratic Party and your party hold the opposite view.

[Seselj] Journalists are quite impatient in asking for opinions on holding such a convention. Now, given the official initiative, we shall see which parties will declare themselves against the initiative, and which will support it. The SRS and the Democratic Party declared themselves principally in favor of the convention, while the socialists said that nobody had made an official proposal

and that there were other important things to be settled. However, I have not heard that they have rejected the idea.

[BORBA] Let us remember that Percevic stated that such a conference might be useful to those who wanted to present Serbia, that is the FRY, as an aggressor, claiming that we have territorial claims.

[Seselj] That is his opinion and it is not necessarily the opinion of his party. One should ask the SPS. After submitting this initiative formally, I think that no serious Serbian political party will dare to oppose it, or give it up. It is a patriotic, moral issue. We do not care what out enemies might think of it.

[BORBA] Since the deadline of the Security Council's ultimatum is quite short (26 April), and since the assemblies of the RS and RSK will probably hold the view of their negotiating delegations, do you think that a conflict between Serbs from outside Serbia and the Serbian authorities is possible?

[Seselj] There has been discord among the officials of the Serb countries before. However, such discords ought to be settled through a democratic political process. Nevertheless, as far as the crucial national questions are concerned, there should be no misunderstandings.

[BORBA] The various interpretations of the national question can be seen in the present political scene. Some of the parties with which you formed a coalition did not show any interest in your initiative for the removal of President Cosic either.

[Seselj] Firstly, we did not form a coalition with any party. Secondly, all political parties will have to regard that initiative primarily in view of the general interests of the Serbian people and only then in view of their own political interests. That our initiative has been taken in the assembly procedure is important.

[BORBA] The future of operation "Remove Cosic" is very unpredictable because it has not been supported by either the ruling party or parts of the opposition in Montenegro....

[Seselj] I do not understand you—which parts of the Montenegrin opposition are you talking about?

[BORBA] Those who foster the idea of full independence for Montenegro.

[Seselj] Those are not opposition parties. In Montenegro there is only one opposition party, the SRS. All other parliamentary parties are ruling parties—the Democratic Party of Socialists, the liberals, the People's Party, and the reformists.

The Yugoslav Army Would Defend All Serbs

[BORBA] Since no party in the Federal Assembly has an absolute majority, and in view of the possibility that the Council of Republics may block any important decision—can the campaign promises, made by many parties in Serbia and Montenegro, regarding the "protection of Serbs in all the Serbian countries" be realized?

[Seselj] If it comes to a raid by international forces against the RS and the RSK, then the Yugoslav Army must defend the Serbian people there!

[BORBA] Do you think that in such a case one should activate a state of war in the FRY, with all that that involves, for instance war censorship....

[Seselj] If a state of war were to be announced, then one should implement everything that such a state presupposes. After all, censorship is implemented in all countries that are in a state of war, even if it is not announced. We are the only exception to the rule. The Americans have implemented censorship whenever they have waged a war—no one was allowed to broadcast anything that might have harmed the American goals. In our case, if it comes to a stiffening of the sanctions, or to a raid against Bosnian Serb military facilities, the state of war will have to be announced.

Generally, we have not needed censorship so far. Firstly, why should we censor anything, when the truth is so obvious? We can only criticize journalists for not reporting more on war activities, for not being on the spot more often, and for allowing others to comment on the war in Bosnia-Herzegovina. On the other hand, it is good that the press has been so uninhibited and open, so we are able to see who takes what stance, who is ready to serve foreign forces, who is ready to act against their own people....

[BORBA] How would you define patriotism?

[Seselj] Patriotism is an awareness of belonging to one people and the readiness to protect the interests of that people.

[BORBA] How do you feel about the allegation that you ought to be in Herzegovina defending your village, or that you are not a Serb at all?

[Seselj] Firstly, at this moment I am the only scientifically proven Serb. Besides, I have never taken such allegations seriously, I find them quite amusing. Secondly, the village of Maljeva Ljut, where my father was born, is not occupied by Ustashas, but it is on the front-line. I have relatives there. The village of Palo, where my mother was born, however, was decayed and deserted even before the war and I had no close relatives there.

[BORBA] The Democratic Party announced that it would sue you because of your remark on the meeting of Vuk Draskovic, Vesna Pesic, and Micunovic with Reginald Bartholomew. Do you still stand behind your statement?

[Seselj] Yes, of course I do. It is only that Micunovic is not so stupid as to show off as Draskovic did. Draskovic is now playing the great patriot again, although the TV report denies his explanations.

Only SRS and SPS Are Not Treacherous Parties

[BORBA] Which parties are not treacherous, according to your information?

[Seselj] The SRS and the SPS, out of the more important parliamentary parties.

[BORBA] Is that all?

[Seselj] Yes. In Serbia, those are the only ones.

[BORBA] Various international organizations and foreign observers investigating the observance of human rights speak frequently of you as of the person most responsible for the bad position of national minorities in Serbia....

[Seselj] Try to find an endangered ethnic Hungarian in Vojvodina. Perhaps there is one, perhaps his neighbors treat him badly because of something he did. As for the Croats, we called for the same thing as Dobrica Cosic—for a civilized exchange of citizens, since Tudjman has already expelled half a million Serbs from their homes. If you remember, Cosic even discussed that initiative with Tudjman, while BORBA also wrote about it.... As for Helsinki Watch, they stated that I had killed 3,000 Muslims near the town of Brcko. Can you believe that?

[BORBA] How would you portray a loyal Serbian citizen?

[Seselj] Such a citizen must always have a critical attitude toward the authorities, but must also protect the national interests and fight for national goals.

[BORBA] And citizens that are members of national minorities?

[Seselj] They must fulfill their civic duties, while the state must guarantee them all their civil rights.

New State "West Serbia"

[BORBA] If the elections were to be held tomorrow, would the SRS support the presidential candidacy of President Milosevic again?

[Seselj] As long as Milosevic protects Serbian national interests, we shall support him.

[BORBA] Even if his party vetoes the all-Serbian convention?

[Seselj] That is a matter of speculation. We are waiting for his party to officially state it's views. If they are against the convention, we shall rebuke the SPS, while if it supports the initiative, then we shall work jointly in preparing for the convention, together with the representatives of the other Serbian states, of course

[BORBA] Although the two Serbian Democratic Parties are officially the ruling parties in the RS and the RSK, the radical political option is almost equally influential. What is the minimum demand which the leaders of the RS and the RSK must not deviate from?

[Seselj] The minimum of all minimum demands is the corridor along the Sava River between the regions of Semberija and Bosnian Krajina. That space, which is now controlled by Serb forces, must not be ceded no matter what the price may be. The SRS also insists on a cease-fire in Bosnia-Herzegovina, but the demarcation line ought to be the present front-lines. I am against the Serbs' ceding their territories to Muslims and Croats for the sake of peace.

On the other hand, we believe that never again will the Serbs from the RSK live with Croats in one state. Therefore, the RSK and the RS should unite and establish a joint state that might be called Western Serbia. The FRY will, of course, recognize the independence of that state.

[BORBA] Can you forecast the long-term course of events in the former Yugoslavia?

[Seselj] Very difficult times await us, and we have to persevere. The Americans will not give up that easily. The sanctions will last for some time longer, that is for sure. Even if we accept the Vance-Owen plan, some additional conditions regarding Kosovo, Vojvodina and Sandzak will place a question-mark on the lifting of the sanctions. The American delegations that bargain about Kosovo have become so impertinent that they demand that the Serbian authorities make sure that no member of the illegal Kosovo Assembly is arrested, while they pushed the ethnic Albanians to pronounce their independence, in order to make it possible for the UN Security Council to pass the decision on the UN protection of Kosovo.

Proportions in State-Run Firms

Through the authorized board of the Serbian Assembly, the SRS has already made an initiative for founding a new, or modifying the old, executive board of the state-run Radio-Television. It should be based on the proportional participation of all political parties. The same must be done with all state-run firms.

As for the rumors claiming that we, as a party, are going to buy out the Third Channel of Television—they are ridiculous. If we had the money, we would establish our own television company.

The Coca-Cola Generation Is Leaving

[BORBA] How are we supposed to keep the young people, the young experts, who are leaving the country in large numbers?

[Seselj] Cowards always flee; they are short of patriotism. Those who are leaving the country are spoiled brats, the Coca-Cola generation, the people who have not been brought up in a patriotic spirit, and who are afraid of any difficulty. What the country most needs, what is most vital—that stays. Once we have overcome all the problems,

have united the Serbian countries, and achieved economic prosperity, they will all start slowly coming back.

[Box, p 11]

The only things that can help us is the fall of the treacherous Russian leadership headed by Yeltsin and Kosyrev and the comeback of the patriotic forces in Russia, or the development of some other large crisis elsewhere in the world that would distract attention away from the Balkans. The pressure will last for the next 10 or 20 years. Various regimes will probably come and go here, but the long-term interests of the West will remain the same.

Yugoslavia Suspended From World Health Organization

AU0305163093 Paris AFP in English 1427 GMT 3 May 93

[Text] Geneva, May 3 (AFP)—The World Health Organization Monday suspended Serbia and Montenegro from the UN body, ruling they could not continue to hold the seat of the former Yugoslav federation and had to reapply for admission.

The suspension motion was presented by Denmark, which currently holds the European Community's rotating chairmanship, on behalf of the E.C.

The only countries voting against it were Russia and Zimbabwe as well as Serbia and Montenegro themselves, which formed a federation following the collapse of the former five-republic Yugoslav federation.

A total of 125 countries voted in favor and 26 abstained.

The Russian delegate argued that it was wrong to inflict more punishment on the rump Yugoslavia, already stung by virtually complete commercial isolation under UN sanctions, given the federation's role in persuading Bosnian Serbs to sign a peace agreement Sunday in Athens.

The UN General Assembly suspended the smaller Yugoslav federation in September 1992 on identical grounds.

Before the vote here, Yugoslavia's WHO delegate Vladimir Pavicevic urged member states not "to participate in a crime against the people of my country." He said the suspension would lead to "the slow death of millions of people. Already babies are dying in hell."

Kontic Views New Sanctions, Monetary Policy

AU0405055393 Novi Sad DNEVNIK in Serbo-Croatian 25 Apr 93 p 3

[Discussion with Federal Prime Minister Radoje Kontic by Zvonko Logar; place and date not given: "The World Has Us on Its Conscience"]

[Text] Prime Minister Radoje Kontic arrived quite late for this interview, and was obviously very upset and tired. He had just been with President Dobrica Cosic, who had previously had the dramatic first round of talks with Lord Owen. It was immediately obvious that this interview could not be a conventional one, because the prime minister, deeply upset by events, wanted, above all, to comment on UN Security Council Resolution 820 and the reactions in our political circles to the adoption of the Resolution.

"There are many opinions that this resolution actually represents nothing new. Reportedly, it contains only some new penal measures and mechanisms to prevent violation of the embargo. I think that it is all about a horrible isolation. The new sanctions represent a completely different attitude of the international community toward our country. From an economic viewpoint, this resolution represents a hermetic isolation of Yugoslavia and tightens the noose of economic sanctions. Only telecommunications, postal services, and legal services are excluded. From a political viewpoint, this document, as I see it, prejudges some political solutions for the Serbian republic and the republic of Serbian Krajina [RSK], while it also determines some new positions of the FRY in the international community. The Resolution opposes the Vance plan for the RSK and the Vance-Owen plan for the Serbian republic. I personally think that the resolution, from a social viewpoint, will lead to the further intensification of internal tensions, aiming at the FRY's collapse and the overthrow of its authorities. Foreign intervention would not even be necessary. Their plan is to destroy Yugoslavia by causing internal social turmoil," Kontic said.

Unprecedented Hypocrisy

Prime Minister Kontic then started analyzing the penal measures of Resolution 820 item by item, commenting on each of them, and paying particular attention to the approved exclusions regarding the import of goods for humanitarian purposes:

"That is an unprecedented hypocrisy. The international public is constantly being told that Yugoslavia is the main culprit, and therefore it must be punished. However, the import of goods for humanitarian purposes has been allowed. Yet, I have been writing requests for several months, asking for the import of medicines, raw materials for their production, and for additional energy supplies to be allowed, in order to save out newborn babies from dying and children in schools from freezing. In no case did they give approval. They tell us: 'Let us see a humanitarian organization that will control you, and see if your plan is good, how the imported goods are distributed, and if it is imported for humanitarian purposes only!'

"We have been pleading, begging, saying that we shall pay all the costs. No humanitarian organization has accepted. After that I tell them that the oil comes from Russia, and enters the FRY on one single place on the

Yugoslav-Hungarian border. One can also measure that oil. It is not so hard to see how much oil has been imported, and it needs no philosophy to determine how much gas has arrived in Pancevo for the production of fertilizers. Control should be organized on two places only, and we shall pay everything. But it is of no use—nothing comes! Then they say how much they care about the humanitarian aspects and that they do not want to destroy the Serbian people!

"So, as you see, we did not get a single liter of oil for heating this winter, nor did we get a single cubic meter of gas for fertilizers. That is a violation of all the conventions regarding the protection of children, the sick, refugees, food, and so forth, that were initiated by the same international community. According to those conventions, there are no limitations and conditions for a people to get that protection. However, they are preventing us from getting it. In the name of the protection of human rights, they deny those rights to us!"

With the same bitterness, the federal prime minister commented on the ban on the transportation of goods through our territory, aspects of the possibility of confiscating individual or other vehicles, regardless of where they come from if they are suspected of transporting goods, and the ban on all sorts of financial and nonfinancial services.

"So that means that any bank account owned by any our citizens can be confiscated. Nobody will be allowed to take his money. At the same time, there is no Western country whose laws allow interfering with private property. Everything is based on that principle. Property and competition are protected by law. Therefore this ban is the most undemocratic measure that can be imagined," Kontic said bitterly.

He commented similarly on the ban on all commercial vessels entering the FRY's territorial waters, and the authorization given to countries to, individually or regionally, implement measures regarding Yugoslavia:

"That means that Turkey can decide to help the Muslims in Bosnia- Herzegovina. True, it must first consult the Security Council. However, it is doubtful whether that is an obstacle at all."

Kontic also commented on the part of the Resolution that states that, in the regions under the proTection of the United Nations and in the regions of Bosnia-Herzegovina that are under the control of Serbian forces, trade transactions with the rest of the world and transit through those territories can only be carried out if the authorities in Zagreb and Sarajevo approve them. Thereby they recognize Bosnia-Herzegovina as a unitary state and, by recognizing the jurisdiction of Zagreb, they prejudge a political solution for the RSK, which opposes the Vance plan.

[Logar] What kind of economic policy can be implemented in Yugoslavia under such circumstances?

[Kontic] The measures we announced will have to undergo major adjustments because of the implementation of a total blockade,. Since these are my first observations, I have to be quite cautious. In any case, one has to rule out anything that has to do with import. Besides, we are threatened with military intervention. Respecting this, foreign statesmen and politicians are making serious statements. Primarily, we must coordinate our industry with the needs of defense and security. When I speak of handling material and financial balances, that means simply that we cannot surrender them to market conditions. Even what we have undertaken so far does not refer strictly to the market, which is no wonder....

Underlining that the inflation and market irregularities are a consequence of external and internal factors, the prime minister illustrated the situation, using the example of medicines. If the medicines are imported, even if given a normal situation, they are 30 to 50 percent more expensive than domestic medicines. However, for one dollar of imported raw materials, our factories can produce five dollars worth of medicines. Yugoslavia suffers huge damage because of the ban on raw materials. The ban has been justified by the case of a man who, in October, was caught trying to export medicines to Slovenia, via Hungary and Austria, in his own car.

[Kontic] It is such external factors that have the greatest impact on inflation. We have immense public spending. In view of foreign threats, we cannot cut military expenditure, nor restrict social expenditure, since there are already a million unemployed, the number of which increases daily. There are also 1.2 million pensioners and 600,000 refugees, the number of which also increases. Is it possible to cut social expenditure? Even social expenditure is public spending, which means that more money has to be printed. Since the money is not backed by goods, inflation goes up.

It Is More Important To Be in the IMF, Than in the UN

[Logar] Those are two basic reasons why it is not possible to fight a daily pricerise. Analyses have shown that it is possible to reduce inflation to less than 50 percent monthly. However, now we have the tightening of the sanctions, and a question: What are we to do?

[Kontic] All the measures we had planned were based on a conviction that the blockade would be lifted soon, that the market must not be stifled, that its impulses must be preserved. What kind of market is it then, when a sheer monopoly rules it? Which means that, despite the government's shying away from administrating the economy, tomorrow when the noose tightens, we shall be unfortunately forced to do it! That is a serious step backwards, with serious consequences.

The priorities that must be ensured are: security, energy supplies and agriculture. There are also food supplies. If a man has something in his stomach, he will somehow

cope with the situation! I do not want to talk about ration coupons, because, if I do, I will be accused of defeatism.

[Logar] It is known that, even before now, there were complications in our relations with the IMF, while in the future there might be more. Could you say something more about it?

[Kontic] It is more important for us to be in the IMF than in the United Nations. However, what is actually happening? The Board of Directors of the IMF held a session on 14 December 1992 and concluded that the SFRY does not exist any more, but that there are five successor countries and the FRY is one of them. They said that these countries could ensure their continuity since 1945 if they fulfilled certain stipulations within strictly determined deadlines. The apportionment of assets and liabilities was a stipulation that had to be fulfilled in one month. We had many discussions here and I managed to convince my colleagues that this apportionment did not automatically mean succession. Because it is an apportionment of our share in the IMF. Besides, what we proposed was accepted by the four other successors. A different question is if our succession opposes the Constitution and the declaration regarding the continuity of Yugoslavia.

The next stipulation was that each of four assemblies ought to pass a law, thereby stating if they accepted being successors and under what conditions they want to keep the continuity. We prepared such a law. However, the problems are of whether we should accept the situation as stated in the clause and of whether Yugoslavia is considered to be a state-predecessor. Actually, there is a question of consequences in both cases. That question has to do with two aspects—political and economic. The political aspect reflects itself in the fact that if Yugoslavia accepts the status of a successor, and not that of a state-predecessor, then the Serbs in Croatia and Bosnia-Herzegovina do not have the right of self-determination. As for the economic aspect, if we accept the continuity we will be in great trouble. Then, one should determine what happened in 1918 and what in 1941, who brought how much into the federation, how it was arranged, and so forth. Since everything said on the issue so far has been ephemeral, we shall organize a seminar in order to discuss the issue more profoundly.

The next stipulation was the squaring of debts. It is not difficult to return the whole debt to the IMF at once, because it is somewhere between $30-40 million. However, the international community forbade any transactions with Yugoslavia, and we simply cannot pay. If we do not pay, however, the IMF will suspend our membership! We have talked with Chinese representatives, since their country has some special rights, to get them to pay off the IMF for us, with Yugoslavia refunding the money later. However, the Chinese gave the proposal up. We turned to the Russian Government, since our country is practically suspended from the World Bank for Development and Reconstruction. We have just received the Russian answer, agreeing to represent us. Not to pay instead of us, but only to represent us!

Finally, there is the fourth stipulation, which says that the Board of Directors of the IMF will, in future, decide whether a country is capable of fulfilling its obligations. That is a stipulation with obvious political implications. Our Government has already prepared a bill on succession, and sent it to the Federal Assembly, so let the Assembly decide upon it and assume the responsibility. Because, Yugoslavia may pass the bill and fulfill all its obligations, and it may happen, in Washington on 14 June, that the Board suspends our membership of the IMF, basing their decision on the fourth stipulation. That means cutting us off from international capital. The consequences are well known....

Authorizations in Foreign Policy

[Logar] Although your Government is, according to the Constitution, in charge of foreign policy, that policy has been pursued in some other places. International negotiators for Bosnia- Herzegovina and Croatia have been turning to some other addresses and personalities. How is one supposed to interpret that disproportion with the constitutional principles?

[Kontic] I am regularly invited to our consultations on the foreign policy issues, while the international community has never understood our Constitution or has simply believed that other personalities are more responsible for making decisions. One could raise questions about such an attitude, however, I feel that I ought not do that at this moment. My assuming those functions would be less effective, while it has also become a general rule that the West orientates itself toward other personalities. Therefore, our interest is not to change that rule now. However, in the future such practices will have to be coordinated with the Constitution.

[Logar] The Constitution also specifies the authority of the FRY Government in terms of the economic policy. In that field, the federal state is supposed to be inviolable in its authority. However, in many of your public performances you insisted particularly on cooperation and agreement with the representatives of the republics, and you even mentioned that you were in contact with republican prime ministers every day. Do you not think that such cooperation makes you lapse into some old-time practices?

[Kontic] When the old federation started falling apart, the republics took over some authority. They had to, otherwise they would have collapsed. Many republican laws were passed. For instance, Montenegro established its own system of prices, while Serbia also had its own system. However, now, such laws do not comply with the Constitution. The systems are not harmonized. The government of Milan Panic, of which I was also a member, simply did not pay attention to such discrepancies. My predecessor naively believed that if he travelled around a lot, he would make the international community lift the sanctions, while other issues were

totally neglected. The republics started to distrust the Federal Government, since there was little contact among them. I cannot remember a single example of three prime ministers meeting together. My way of handling issues is different. In one month I held seven meetings with the republican prime ministers, regardless of my belief that I actually pursue the policy independently. I make proposals, and ask them if they are against them. We can discuss matters only if I meet Montenegrin and Serbian interests, and not if I am independent, or not. I am, principally, for discussion, and not to only say "Amen!" when the republics propose something. When our discussions are over, the result is almost always a unanimous decision. Therefore we cannot speak here about the coordination of views. At the end it is still I who makes decisions. My approach to the job is very professional, I am not an apologetic person, nor have I ever understood politics as an ideology.

[Logar] The visits of a minister to various firms quite often surpass merely learning the situation, and are quite often accompanied by various promises. In the states whose systems are similar to ours, such practices are unimaginable and even banned, because one is afraid that such relations favor the creation of various lobbies and other forms of pressurizing governments that have to view all the parts of society objectively. Is that not a leftover from the past?

[Kontic] In normal times, such practices would most probably not happen. However, in the present conditions one ought to have a good picture of what is going on in the economy. Businessmen do not behave the same way as politicians. In such abnormal circumstances, given so many limitations and unknown factors, information about the working conditions in production are very valuable, while such meetings can be helpful in the time of sanctions. That is why I insist on visiting firms, while on the other hand making sure such visits not to turn into some kind of transmission or create lobbies or monopolies. On the contrary—I am always angry when I hear that some of the ministers promised something during such a visit.

Everybody thinks this way: Since inflation was 230 percent last month, this month it will be more than 300 percent. If the prices increased by 38 or 40 percent only because they were expected to increase, then those who will announce their rise are supposed to give economic reasons for that. If they increase some prices by 200 or 500 percent their announcement will be annulled and the prices will be returned to the former level, while they can apply again in one week. The authorities of both republics obliged themselves to comply with that system.

If one also considers some additional measures of economic policy, my expectation that inflation will slow down is not groundless. By eliminating the factor of expectation the inflation may decrease on a monthly basis by 30 to 35 percent. If the interest rates also drop from 120 or 130 percent to 50 percent, that can be very significant for the economy. As for the banks that do not want to lower their interest rates, we shall simply close them down. The groups working on the harmonization of the price system are organized, while the prices that are of great importance for the entire economy may be moved to the jurisdiction of the federal state. We shall not interfere in local prices. Besides, as far as I am concerned, I am very much opposed to freezing prices.

[Box, p 3]

Vacancies in the Government

[Logar] In the Federal Government, a deputy post is still vacant, while the minister for finance has not yet been designated. Why?

[Kontic] I think that all the posts in the Government should have been occupied a long time ago. However, frankly speaking, the rhythm of activity and both the international and home circumstances are such that I do not have time to carry out consultations with possible candidates.

[Box, p 3]

Overflow of Cash

[Kontic] In Yugoslavia, between 50 and 70 percent of trade is carried out using cash. For any economic system that is a paradox. In market economy systems the proportion is not more than 10 to 15 percent. Despite so much cash circulating, the banks are very often without cash, even if the accounts show that there is money. I intend to implement rigorous measures to make people accept checks. Thereby we shall eliminate, to a certain extent, the black market, because nobody will sell cigarettes on markets, or hard currency on the streets for checks.

The news is that we intend to permit the issuance of hard currency bonds.

[Box, p 3]

The Position of the National Bank

[Logar] Soon it will be a year since the FRY was proclaimed, however the National Bank has not yet been constituted.

[Kontic] The Central Bank is, according to the Constitution, an independent institution, subordinate only to the Federal Assembly, which appoints the governor, who is responsible to the Assembly. The Government is not in charge of that. Unfortunately, the situation is still not as it should be, and, in view of things taking their course, the office of the governor is far more appreciated than that of the prime minister. Another issue is attempts to completely separate the Government from credit and monetary policy. More or less everywhere in the world, governments determine the rate of the national currency, while the monetary authorities ought to defend it. The

Government is responsible for all internal and foreign policy and cannot be without influence on the way that money flows.

[Box, p 3]

How To Subdue Inflation?

[Logar] Is it possible to pursue a consistent economic policy and subdue inflation if the authorizations regarding the prices are divided between the federal state, the republics, and local authorities?

[Kontic] There is no unified system of prices, but there is a certain system, which is, however, not fully consistent. We did not want to mix up what the republican authorities had taken upon themselves a long time ago and, in a certain way, distorted. Those are the prices of farm and energy products, which do not correspond to market conditions. Republican authorities are in charge of them, while their duty is to comply with our criteria. The Federal Government did not take control of the prices of other products, but it started to follow them, as we put it. The rise in prices must be reported, and then, after one week, the announced revision can be carried out. This measure was instituted on 15 April, while in the interval from 1 to 10 April the prices increased for 24 percent. I find it very interesting to see how the prices are going to rise given such new conditions. What is actually behind this concept? I asked my people to make an analysis of prices. I wanted to know what part of the rise is the result of speculations and inflationary expectations. We found out that, out of all of last year's inflation, 38 percent of price increases were due to inflationary expectations.

Democratic Opposition Hopelessly Divided

93BA0919B Belgrade VREME in Serbo-Croatian 5 Apr 93 pp 24-25

[Article by Milan Milosevic: "Party Life: In Parliament, Out of Parliament...."]

[Text] Cosic, any more than Yeltsin, would not survive "impeachment" in the "congress" which does not like him. The Montenegrin deputies, who shudder at Cosic's intention of amending the Constitution so as to strengthen the federation, prevented repeal of the (unconstitutional) law whereby dismissal of the president of the republic is subject to the unqualified will of the majority. Their point of departure was that the jurisdiction of the Constitutional Court should be prescribed by the Constitution, and they have announced an initiative to amend it. They did not have enough signatures for that initiative, and, as it turned out, they did not ask either the Democrats or DEPOS [Democratic Movement of Serbia] delegates if they wanted to join in. (They do.)

The Radicals and the SPS [Socialist Party of Serbia] did not have a two-thirds majority, which could have been calculated even earlier, and it is not clear why they made so much of an effort. The Democrats performed a maneuver by proposing an amendment which would have made the outstanding Radical initiative unlawful. Seselj consented to that, calculating that he would get the Democrats to vote for this law, which they did not do, but that could not have been decisive.

The Return

The news was that the DEPOS deputies quietly returned to parliament after a two-month abstinence. The old parliamentary squabbles were, of course, immediately audible: Seselj said from the speaker's stand that Mihajlo Markovic (SPO [Serbian Renewal Movement]) is a "mental case," and the person in question could not resist in response to greet the "men and women from the Croatian Radical Party," calling upon Bozovic, "while he is still here" (noticeable silence) "to respect the rules" and "protect the Serbian deputies from foreign nationals." Even the pacific Prof. Pavle Nikolic could not take Seselj's provocation (he denounced the professor, saying that as a member of the Crown Council he had no right to speak on constitutional matters) and noted that Seselj, according to the press, was on the list of war criminals, and this did not bother him.

The next day, the SPO ("in a Hamletian dilemma") was seen to enter the Assembly to save Cosic in whom it was disappointed, without consulting with its main partner in the DEPOS coalition, the Democratic Party of Serbia [DSS], which last summer split off from the Democratic Party precisely over the issue of joining DEPOS. This resulted in a controversial meeting of the incomplete DEPOS caucus in the Serbian Assembly, and then Vojislav Kostunica made the observation that the time when DEPOS could be a movement had passed, that as matters now stand it could still be a coalition or perhaps only an election slate. The definitive decision of DEPOS to return to the Assembly was postponed until the ruling of the Serbian Constitutional Court on whether the Serbian Constitution was violated when the law on election of deputies to the Chamber of Republics was enacted, which is considered a matter of consistency.

Defeats

Following at least between five and seven major defeats of the democratic opposition in the last five years (two in 1990 and 1992, lost election; and then on 9 March 1991 and the "velvet evolution"; the petition with several hundred thousand signatures for Milosevic's resignation in 1992; the Saint Vitus' Day rebellion in 1992; the cry for a "third Serbia" at the university in the summer of 1992), this vacillation shows the serious dilemma of a weak opposition. One opposition deputy says that in the general depression the best thing for the opposition now is to do nothing, to remain on the scene and wait. That fatalism is risky in a galloping catastrophe, because, as we are seeing even now, the story could come to such a sad end that it is not even possible to turn over a new leaf. It would do no good now for the Reformists, say, to begin to exult that they were right and that it has been demonstrated how accurate their assessment, that

nationalism would lead to tragedy, was. The former Yugoslavia no longer exists, and this cannot be corrected for the foreseeable future.

In the last three months, the opposition parties have not demonstrated that they can or even want to do anything by nonparliamentary means. There are no signs that any party has quietly become organizationally stronger, that it has developed its network, that it has formed a membership; the parties have remained hopelessly divided, they all suffer from the same syndrome, a complete loss of initiative. The idea of civil resistance has remained empty talk. A party, like an old house, goes quickly to ruin if no one uses it. Social rebellion, which people are perhaps waiting for like sour grapes, could, as matters now stand, be headed by a man who is now sitting in parliament.

Purge

The Radicalists (in the growing bitterness, some people are calling them the "Socialist Radical ultras") have in the meantime, step by step, been attempting to destroy all the fruits of the two-year struggle of the democratic opposition and for all practical purposes to eliminate it from the scene as a "pro-Western force." They have begun to install their own people at the rebellious university, but something has hung up; they have frightened those whom they estimated could be a destabilizing factor on television. Taking advantage of the postelection knockdown suffered by the opposition, they have introduced administrative dictatorship in many institutions, from the National Theater to the Museum of Contemporary Art (whose holdings should be inventoried in good time, because art works, as we know from history, disappear most frequently in times when there is no flour and there are big excuses).

They are keeping even the potential social rebellion under control, with some guiding it, as shown by last week's "general strike," against the overheated money printing plant, while others are practicing deception with the demagogy of equality and poverty. They have not given a sign that they will give up the system of centralizing every last thing, and what might have been expected was produced very quickly—looting that involved ministers in the government.

Pledge

The Socialists, of course, did not generate that scandal just to deceive the public, nor, as some analysts emphasize, to find a scapegoat for the collapse of the economy. They undertook a showdown with crime because that crime had become so obvious and was probably threatening the operation even of the police. Once the scandal began, for a time at least, they would probably take care not to allow the political consequences to be drawn from it. The issue of the objective accountability of former Prime Ministers Bozovic and Zelenovic is mentioned only by the democratic opposition, whose stock is not high. Incidentally, the newly elected judges of the Federal Court took their oath of office a few days ago in Bozovic's presence.

The Radicals are making clever use of the fight on crime for their own political advancement, and they are demagogically pushing the Socialists to continue the fight for a law-governed state. Tomislav Nikolic, their people's deputy from Kragujevac, has made several statements in which he called for the incumbent party to continue to prosecute criminals, threatening that if the government holds back, this will be done by the SRS [Serbian Radical Party]. Arkan has also welcomed the action of the law-governed state.

The fact that the dirty business leading southward was "interdicted," not that which led toward Bosnia and the krajinas, shows that even the police, who obviously have certain broad powers, will take care, at least for a time, not to expose any shady dealings which might be known to someone staring at a point above hands composed in the form of a pyramid.

Politicians from the center suspect that fighting crime is the introduction to possible establishment of a dictatorship, elimination of the freedom of speech, and institution of censorship of the press, which is done even in cases when an investigation goes too far. The coalition in power, which is now continuing to put pressure on the press, will be watching for every occasion to "stop Reuters" like Dzavid Nimani from establishing a "press bureau," which was proposed on patriotic grounds by Brana Crncevic when they linked him personally to the scandal of the ministers and when they called for formation of a committee of inquiry to study the Association of Emigres (Matica Iseljenika).

So far the democratic opposition has spent the most energy in the fight for freedom of speech and in the fight against the TV bastille. If the opposition recalls its old demands, it might even do something, and that in turn could become something harder to swallow than rigged strikes. The outcome is not certain. The Croats, for example, were not successful in defending minimum freedom of the press in Split.

Skepticism

Because the Radicalists rejected the proposal to form a committee of inquiry, which probably would have extended the investigation politically toward the top leadership, the democratic opposition has met this campaign with a passive skepticism that is difficult to exploit politically. With that kind of guard up, it deprives itself of that demagogic weapon (the fight for justice and security) which can be very effective in a crisis. In actuality, it is allowing Milosevic to score an important point. The secret of the failure of Milosevic's opponent seems to lie in the phrases "constitutional, unconstitutional, statutory, unstatutory...," and these phrases capture his will for power and its Hamletian nature.

Milosevic tried to make it known that he himself is pulling out of this war faster than Cosic, who needs to open Europe's eyes to the eastern question and to the reconstitution of the Balkans. He has undertaken what appears to be an effective action as a middleman between Mladic and Morillon, but there is no sign that he is distancing himself from the war lobbyists at home and from those who are directly involved in war crimes. The question is whether he will bite that poison apple at all, especially if a new war atmosphere occurs here following the resolution of the Security Council banning flights in Bosnia. The Radicals at the moment are in the countryside performing the function of participating in the search for military deserters from the krajinas, applying pressure for grown males to be denied hospitality and sent to the front, which is what the government of Karadzic's Serbian Republic [RS] is requesting from the Serbian government. In case of increased tension in Bosnia, they will be "those old ones."

The corps of top-level officers have obviously once again picked Milosevic as the one who can defend the system, furnish a big budget, and prevent debate about involvement in the war and mistakes in waging it. The military need for money is large, which Kontic (one analysis calls him "a lightweight politician") demonstrated he realizes when he proposed a state budget which is actually a military budget. That grouping is probably studying hopefully the text of Milosevic's speech in Batajnica, which was that of a patron and protector. If it judges that Yeltsin will not survive in Moscow (which this week is less likely than last), even that grouping could sooner or later be oriented more directly toward the smothering of freedom, which is always done when hunger and disorder threaten.

In a situation when there is a hankering in various quarters for emergency powers, the entry of deputies into parliament would perhaps offer a little bit of hope that the democratic forces in Belgrade, which are probably at their lowest point since adoption of the law on political parties way back in 1990, are staying alive.

FRY Ambassador to Cyprus Interviewed

93BA0932A Belgrade BORBA in Serbo-Croatian 7 Apr 93 p 13

[Interview with Petar Boskovic, Yugoslav ambassador in Cyprus, by Slavisa Lekic in Nicosia, Cyprus; date not given: "Ambassador Boskovic: 'Come Here Only as Tourists'"]

[Text] *"Cyprus is not a Serbian El Dorado. Neither is it a Waterloo, far from that, but my message is this: Do not come here except as tourists. If, of course, you can stand these high prices," BORBA was told by Mr. Petar Boskovic, who has been Yugoslav ambassador in Cyprus for four years now. We talked in the not exactly showy atmosphere of the embassy, which is located in an elite part of Nicosia, just 500 meters from the line of demarcation between the Cypriots and the Turks which is "maintained" by "blue helmets"!*

[Lekic] What is the origin, then, of the story that our businessmen are doing famously in what you must admit is a fiscal paradise?

[Boskovic] You see, one of my colleagues recently said: "The Russians here are musicians, the Romanians waiters, and the Yugoslavs are in business"! There is truth in that, but often the writing about our successful businessmen is very uncritical. It is true that about 500 Yugoslav "offshore" companies are surviving here, but it is also true that only some 30 of them can measure up against the other, mainly Western, companies.

[Lekic] What is happening to the other companies, and what can people expect who are planning to "transfer" their business to Cyprus?

[Boskovic] We might call the other firms of our people "sleepers"! These are small "companies" which do business out of a post office box they have in some lawyer's office, where the bills of the Cyprus administration, which are not exactly small, are settled, but they are sitting there in Yugoslavia. The low tax is attractive, it amounts to only 4.25 percent, but you have to be a business tiger to survive among about 8,000 similar companies from all over the world.

[Lekic] Ever since I have been in Cyprus, numbers have been the most frequent point of argument. From how many Yugoslavs there are in Cyprus all the way to the "truth" about our capital which has been brought here!

[Boskovic] As a fellow journalist who is older, I can say without apology that our journalists are often taken in by people whose purpose is served by getting figures like that in print. In short, about 1,500 people are living on Cyprus according to the most recent figures of the immigration office. That figure, depending on the number of tourists and visits of our business people, sometimes exceeds the figure of 3,000, but the number of visit permits issued here corresponds to the first figure. As far as money goes, all I can tell you is that there are Yugoslav companies here that have annual sales as high as $200 million, but there are very few of them.

[Lekic] Mr. Boskovic, I have information that nearly 4,000 Yugoslavs are living in Limasol alone, and that is not a large city.

[Boskovic] You know what, I have run across information in our newspapers that all of 20,000 Yugoslavs are living on Cyprus. That simply is not true, it is false and ridiculous!

[Lekic] You surely are not going to say that there are no Yugoslavs on Cyprus who are here illegally?

[Boskovic] I do not deny that, but I must emphasize that their number is negligible. It is true that there have been Yugoslavs arrested and deported, just yesterday there

were three such cases, and that is not to our credit, but the police here are effectively combating the brokers who create a false picture of life on Cyprus. I repeat, do not be taken in by stories, because you may be sent back right from the airport.

[Lekic] The Yugoslav public is very much interested in the story about our young people living on Cyprus illegally whose status is practically that of "black slaves"!

[Boskovic] I have denied stories several times about alleged Serbian unfortunates working here illegally whom their bosses are exhausting for little pay. You know, there are stories about Cyprus which praise it to the heavens, but also those others which cast aspersions on it unfairly. this is dishonest; the Cypriots, after all, are very fine people.

[Lekic] I have personally talked to lads who work illegally and are paid miserably !

[Boskovic] There probably are cases, but then they themselves are to blame for that. They probably came without a work permit, with a tourist visa, and when it expired, now they are forced to hide and make their living that way. They are violating the law, those who employ them are well aware of that, and that is why all of that occurs.

[Lekic] Do you know of any case of "white slavery"?

[Boskovic] A Belgian journalist recently published a book about that, but even there Yugoslav women are not mentioned. The other day the Cypriot press even recorded that some Romanian women who came here as dancers are complaining about being forced to do certain other jobs. I personally am not aware that something similar has been happening to Yugoslav girls, and because I am in communication with a large number of our people on Cyprus, I certainly would have heard if the problem you mention existed.

[Lekic] Do you have information on all the lines of business in which Yugoslavs are engaged on Cyprus aside from running companies?

[Boskovic] The first thing to realize is that there is almost full employment on Cyprus. There are always about 7,000 job vacancies, and there is work, not only in tourism and hostelry, but also in construction. So, this is how stories get started: A construction worker, say, who works six days a week, can earn as much as 200 pounds, which is somewhere around $400, regardless of whether he is a citizen of Cyprus or a foreigner with a work permit. Here, the average pay is about 500 pounds, but you have secretaries or employees in tourist agencies who get less than 200 pounds. Here, then, there is nothing discriminatory.

[Lekic] True, if we ignore the fact that these are Yugoslavs who are mostly highly educated!

[Boskovic] Possibly, but neither should we overlook the fact that in terms of the number of highly educated people relative to the population Cyprus has a high ranking, fourth in the world. To be sure, it is only since last year that they have a university, but these are people who have been educated in the United States and England. Incidentally, while I have no desire at all to detract from the schools on Cyprus, I warn those who are thinking about enrolling in colleges on Cyprus, which are mainly private, that it is practically impossible to transfer credit for those diplomas!

[Lekic] In addition to the "brain drain," there is also quite a bit of talk about the outflow of Yugoslav capital, which, people say, has been secretly taken to Cyprus!

[Boskovic] Most of the companies which Yugoslavs have opened on Cyprus were registered three or four years ago, when no one even dreamed about sanctions, so that the assertion about Yugoslav capital having moved to evade the blockade is ridiculous.

[Lekic] Nevertheless, the foreign press has often referred in these terms to Jugo Arab, Beogradska Bank [Bank of Belgrade], Karic Banka....

[Boskovic] Recently, a journalist from THE WASHINGTON POST came to me and asked me a similar question. I naturally replied to him that there is no question whatsoever about so-called "laundering of money," whereupon he pulled from his briefcase a pile of photocopied articles from the Yugoslav press which did say that our firms were conducting shady transactions thanks to Cyprus, and he said: "Mr. Ambassador, this is what your countrymen have been writing in your newspapers, in your country"! Which is to say that it is not just the foreign press, but also our own people who are making a difficult situation still worse. In any case, in all those companies which you have mentioned, and not just in them, there are Cypriot salaried personnel who are overseeing every transaction every single day, who are checking every bill and every transaction. In Beobanka alone, there are three such "monitors," and it is not possible to get things past them.

[Lekic] But if "dirty" money is being "laundered" by countries which do not have the problems which burden us, does it not seem to you illogical for us not to do that in one of the "most friendly" countries?!

[Boskovic] We belong to the same sphere of civilization as Cyprus, what divided this republic long ago is now happening to us, it might be said that they are fairly well disposed toward us, but do not be deceived—they must respect the UN sanctions! By contrast with other countries, they only try not to tighten them! Why would they take that risk out of friendship?!

[Lekic] Is it impossible that we might be taking the risk on our own?!

[Boskovic] It is dishonest to abuse hospitality and friendliness. For 30 years now, Cyprus has been guarded by "blue helmets" paid by the United Nations, and this is an immense amount of money; Cyprus is small, there is

a population of less than 6,000 in the unoccupied part of the south, an area of nearly 6,000 square kilometers. This is a tiny speck in the big world, and why would they risk the possible anger of the United Nations?!

[Lekic] Nevertheless...!?

[Boskovic] Do not, please, surely the laundering of "dirty" money is not your only topic! I tell you, very responsibly, that all Yugoslav transactions here are under government control and it is not possible to do anything that is not in compliance. We can talk about our information center in Limasol, about the weekly which will soon go into publication, about our efforts to get an hour of radio programming in the Serbian language, and then soon about an hour on TV, about two galleries run by our people....

[Box, p 13]

"Offshore" Montenegro

Ambassador Boskovic, former journalist and director of POBJEDA in Titograd, is thinking seriously about offering the Montenegrin Government a study about "transformation" of that Republic into an "offshore" state:

"Cyprus has been cleverly and systematically taking advantage of its geographic position, climate, and everything that goes with it, and that is the backbone of the economic miracle of Cyprus. Their position, however, climate, and coast are nothing compared to the Montenegrin coast, which aside from well-known beaches, has an infrastructure already in place and, most important—seaports, that is, everything necessary for 'offshore' business! With minimum investments, Montenegro, after the sanctions are removed, of course, could become a new world-class financial paradise. We should, then, begin immediately, even now, to think about the laws and regulations, because Cyprus, unlike Montenegro, had behind it 80 years of famous British administration"!

'Irregularities' Found in Novi Pazar Businesses

93BA0903E Belgrade POLITIKA in Serbo-Croatian 2 Apr 93 p 10

[Article by Dj. Vranjesevic and S. Bakracevic: "Irregularities at Every Step"]

[Text] Novi Pazar, 1 Apr—There has been a strange situation in Novi Pazar in recent days. At the market, which is well-known all over the country, there is nothing but farm products, and they are local in origin. Not a trace of the famous blue jeans and "bagsful" of tennis shoes. Almost every other private store is closed, or its windows and shelves are empty. The reason—there has been a report that a sizable group of financial police are coming to Novi Pazar.

Obviously, the financial police of the Kragujevac center, which covers 39 opstinas in six okrugs in Serbia, did not come here in vain. After all, they found virtual chaos. In two days, 150 policemen, the number involved in this city, processed about 280 firms. Irregularities were found in 90 percent of the cases. Usually, it was a case of tax evasion, but goods without origin were also found. Tax evasion in the amount of 4 billion dinars was ascertained in just two days, and the confiscated goods, worth about 2 billion dinars, include 12 tons of sugar, 87 tons of flour, 616 pairs of shoes, sizable quantities of cigarettes, and other scarce goods whose origin is not known.

Vladimir Ilic, director of the financial police of the Kragujevac center, says that his people have confronted a specific problem here in Novi Pazar.

"Two days ago when our police went to work, on the first day they encountered 34 padlocked private stores. Their owners had probably heard of our action, and they simply locked up the shop, thinking that in that way they would avoid the penalty they deserve. Many of them fled to Turkey, where they have relatives," Ilic said.

Director Ilic emphasizes the exceptional cooperation with the department of the MUP [Ministry of Internal Affairs] in Novi Pazar, thanks to which they detained 12 owners of padlocked stores and found irregularities in their operation.

"We have put our own padlock on the other locked stores, so that the owners will have to come to us first if they want to open their stores again," Ilic says. Of course, this does not apply to those who sold all their goods even before the financial police came to Novi Pazar and fled to Turkey with their entire families. After all, 96 percent of the owners of the 35 private stores are Muslim and frequently they have family ties (and other ties as well) in Turkey.

The ramified "business" connections of the businessmen here, and particularly the cheating of the government, are indicated by the fact that two customs officials were arrested because they were obviously in collusion with Novi Pazar businessmen. Goods which according to their papers were supposed to go to Macedonia and Bulgaria were sold in Novi Pazar. There were 34 private firms listed as importers of those goods, and they had no intention of paying the turnover tax.

Minister Refutes Government Report on Oil Affair

93BA0913B Belgrade BORBA in Serbo-Croatian 3-4 Apr 93 p 7

[Article by M. Mikuljanac: "Minister Refutes the Government"]

[Text] The scandal of "a million dollars as a gift," which was revealed by the Finance Police in its recent report, has turned into a conflict among government institutions, while the private firms (mentioned in that report), from all indications, remain "clean."

The Financial Police report talks about $2 million in state money (from tolls) that was invested by the Road Directorate for the purchase of oil, without setting a restriction on fulfillment of the transaction. If that turned out to be true, then the chosen lucky ones were in possession of $2 million for several months without any control, so they could have filled their pockets with at least a million dollars in that way.

Jovo Dobric, director of the private firm Beo-hum, which is one of the beneficiaries of the above-mentioned funds, could not offer us precise information about this transaction: "Something was agreed upon, but I am not fully acquainted with it, because my son handled it from Moscow. I am certain, however, that there was no irregularity. The Financial Police inspected our books and did not find a violation. As far as the oil is concerned, it stopped somewhere at the border and it will be imported when that is possible," Dobric said, emphasizing that under the conditions of the sanctions (the sanctions against the Federal Republic of Yugoslavia), transactions involving oil imports cannot have time restrictions put on them.

More more precise information is possessed by Dusimir Zabunovic, director of the private firm MPS [expansion unknown] Avtotehna, which has also been mentioned as a beneficiary of state funds: "We did not receive any dollars at all, but instead, we purchased from the Ministry of Transportation and Communications 1.56 million marks (approximately $1 million) at the supported exchange rate, which is even higher than the so-called black [market] exchange rate. Through the contract on the purchase and sale of that foreign exchange, we committed ourselves to invest the money in importing oil, and so far we have fulfilled over 95 percent of it. We have settled all our tax obligations, and the Financial Police have confirmed that. The contract for this transaction was signed by Predrag Krkic from the Road Directorate, and the order for payment of the cash was certified by Zarko Katic, the minister of transportation and communications," Zabunovic said.

Minister Katic (who was also in that position in the last cabinet, Bozovic's), confirmed this story: "Money from foreign exchange tolls is not given to anyone to use, but is instead sold under market conditions, as long as the foreign exchange cash is earmarked for the purchase of oil, oil derivatives, and strategic raw materials. Whoever buys foreign exchange from the tolls must consequently use it for importing those materials, and if he hesitates in this, he harms himself. The Road Directorate, which signs these contracts, cannot be harmed, because it uses the dinar equivalent value for current road repairs."

Minister Katic emphasized that the foreign exchange from the tolls has always been sold at the highest possible exchange rate (supported), and that as a rule private businessmen have always offered more than state and social firms, because they have been more capable of importing oil in spite of the sanctions.

Katic also refuted the report from the Financial Police (which, by the way, was examined and accepted by the republic government), which says that the foreign exchange was given (and not sold) by the Road Directorate. The Financial Police are no longer dealing with this case, since it is not within its jurisdiction, and so all the material has been turned over to the Ministry of Internal Affairs. Thus, at the end of this story, the police will apparently judge whether the scandal of the "million-dollar gift" involves financial embezzlement or "only" a settling of scores within the Serbian government.

[Box, p 7]

The Bank Is Not Guilty

Investbanka Belgrade, which was mentioned in the Financial Police report as an intermediary in the foreign exchange transaction (between the Road Directorate and the private oil suppliers) is not involved in any shady business, according to that bank.

"In this case the bank is only a custodian of other people's valuables, which are controlled by the owner," stated Ljubisa Stoiljkovic, chief editor of Investbanka's newspaper.

In yesterday's public announcement, Investbanka stated: "The Serbian Republic's Ministry of Transportation is one of Investbanka's numerous clients. In doing business with this ministry, the prescribed procedure for safe-deposit operations has been observed, and there is official documentation on this. Investbanka did not sell the foreign exchange in its portfolio, and it could not control the foreign exchange of the Serbian Republic's ministry, just as the regulations for safe-deposit operations require."

Illegal Financial Transactions Investigated

93BA0919D Belgrade POLITIKA in Serbo-Croatian 1 Apr 93 p 5

[Article by Ivan Stojkovic: "Government Money in Private Hands"]

[Text] The decision to institute an investigation against Velimir Maskovic, deputy general director of the Social Accounting Service of Yugoslavia, who is in custody, Marina and Predrag Filipovic, owners of the financial agency Go-Fi, and Nevenka Sindjelic-Pecar, director of the federal treasury, was issued yesterday by the investigating judge Dragoslav Rakic because of warranted suspicion that they engaged in unpermitted financial machinations.

Marina Filipovic is in the prison hospital because of poor health, which is why she has not yet been interrogated, and her testimony before the investigating judge is expected today. Her brother, Predrag, has so far defended himself before investigating authorities with silence. Immediately after she gave her testimony to the

judge, Nevenka Sindjic-Pecar was released to defend herself without being kept in custody.

Velimir Maskovic, director of the Auditing Department of the SDK [Social Accounting Service] of Yugoslavia, we have learned, by virtue of his authority as a high official exceeded the limits of his authorization and had Nevenka Sindjic-Pecar, who keeps the key to the state treasury, extend loans to banks named in advance. For the present, we know that there were 10 of them. Marina and Predrag Filipovic sent their clients to those banks through Go-Fi. The names of the firms also remain unknown to the public. We do know that they are all private and that there were 15 of them. Go-Fi took its commission, 2.75 percent of which it paid to Velimir Maskovic, from all the firms referred to the banks, which were known in advance to have been full of dinars at the time of the shortage. Thus, Maskovic realized an illegal gain of about 118,425,000 dinars.

Nevenka Sindjic-Pecar, who was released to defend herself without being held in custody, granted the loans to the banks designated in advance at the request of Velimir Maskovic. Thus, the banks knew exactly when to apply to the state treasury, and the private firm knew from which commercial bank they could obtain the dinars they needed. Nevenka Sindjic-Pecar told the court that she had done everything according to the law and with the consent of Jovan Zebic, at that time federal finance minister, and his predecessor Dragoslav Jovanovic, as well as Slavoljub Stanic, former deputy federal minister of finance and at present Serbian finance minister. The federal budget, Mrs. Sindjic-Pecar told the court, realized a huge profit in the form of interest from those loans.

According to Milan Radovanovic, deputy district public prosecutor, for the present there are no plans for Jovan Zebic or Dragoslav Jovanovic to appear as witnesses in court. All the loans from the federal treasury, numbering about 15, were granted between September of last year and March of this year. According to Prosecutor Radovanovic, for the present the names of the private operators who obtain loans in this way are not known.

From what we have learned unofficially in the corridors of the Palace of Justice, the names of Kredibel Banka and Panonska Banka have been mentioned, while Podgoricka Banka has already denied it had anything at all to do with those loans. And while Nevenka Sindjic-Pecar's defense counsel was nowhere else but in Podgorica, denials were issued that Podgoricka Banka and Montenegro Banka had any ties at all with the law office Golubovic-Filipovic, which is run by Slobodan Filipovic, the father of Marina and Predrag, who are in custody, who incidentally is a long-standing friend of Velimir Maskovic. The Montenegrin banks also deny any connection with the agency Go-Fi.

The public is impatiently awaiting the list of banks and private firms which supposedly took part in these financial machinations, the consequence of which could even have been "pumping up" the rate of foreign exchange on the black market.

Treasury Director on Legality of Credits to Banks

93BA0915A Belgrade BORBA in Serbo-Croatian 31 Mar 93 p 8

[Article by J. Kesic: "'I Have Not Broken Any Law'"]

[Text] "I personally believe that in what I have done I have not violated any legal statute or decision of the Federal Government or Ministry of Finance, and in my work I have not gone against the authority of those bodies"! That is what Nevenka Sindjic Pecar, director of the Federal Treasury, said in a statement for BORBA, and she explained that she was very surprised when on Friday, 26 March, they came to take her into custody, because she had no idea what it was all about.

"In my statement to the judge, Dragoslav Rakic, I said that short-term loans to banks are granted from the Tresury's uncommitted resources. I always did that with the knowledge and consent of the present finance minister, Jovan Zebic, the former minister, Dragoslav Jovanovic, and the former deputy federal minister, now the finance minister of Serbia, Slavoljub Stanic. It is a completely legal transaction and I broke no law. With the interest on those loans, we furnished 40 billion dinars for the federal budget in two months, while over the same period 60 billion dinars were collected in duties and import charges.

"Incidentally, I must explain that the Federal Treasury is a part of the Federal Finance Ministry and is not the treasury of the NBJ [National Bank of Yugoslavia], the mint, or the treasury of the Settlement Agency, which is where cash is kept. It is an institution that conducts its business on the basis of very clear legal statutes in exercise of the federal state's power to finance itself. Our concern is to carry out policy governing the revenues and expenditures of the state and other financial matters as set forth in federal law."

Sindjic Pecar believes that the transactions conducted by the Treasury, because of their sensitivity, must be entrusted to people who have been checked and persons whose integrity is unimpuned.

The judgment as to how legality is being respected and how effective the Treasury is should be made by the competent minister and the Federal Government. Only if it is found that there has been illegality or malfeasance should proceedings be instituted.

Asked how it had been when she was in custody, Sindjic Pecar replied that everything was entirely proper and she

was released immediately after the interviews were completed, and that was on Sunday morning, 28 March. She is continuing to do her job normally as director of the Treasury.

Customs Director on Money, Goods Smuggling

93BA0915B Belgrade BORBA in Serbo-Croatian 31 Mar 93 p 16

[Interview with Radoslav Sekulic, director of the Customs Administration, by D. Vucinic; place and date not given: "'The Government Lost DM100 Million on Mercedes Automobiles'"]

[Text] *There has been quite a bit of criticism, some official, some unofficial, of customs officials here and there to the effect that for a long time they "looked the other away" at briefcases full of foreign currency being carried over the border illegally or at convoys of expensive vehicles entering the country.*

So we asked Radoslav Sekulic, director of the Federal Customs Administration, how accurate that is.

[Sekulic] As to carrying money out of the country, I think that the large amounts, that is, those over 1 million or 1.5 million German marks [DM] has always been taken out legally. That means with a National Bank of Yugoslavia [NBJ] certificate, which, of course, does not fall within our jurisdiction. Recently, it has been very rare that anyone attempted to smuggle any big money, and that has been mainly through goods in trucks. But recently we have, I think, been successful in putting a stop even to that, as well as smuggling on a smaller scale. We worked out a system and have reduced the smuggling of money and the smuggling of goods to insignificant proportions.

[Vucinic] And was the carrying of money out of the country, said to be legal, "serving" private profiteering?

[Sekulic] First a contract is concluded concerning the transaction, a permit is obtained, everything is covered by documents, and then the money can stay outside. The Customs Administration is rigorous with anything that is not legal. Money is confiscated without apology, it is turned over to the National Bank, and the citation and report are sent to the Federal Foreign Exchange Inspectorate. I could not swear, of course, that no one has ever slipped through somewhere even in collusion with the police and customs officials, but we invoke drastic penalties in every such case when we discover it, including the one when someone gave some customs official DM100.

[Vucinic] Is the "conspiracy" of smugglers only a hypothesis, or have you discovered someone involved in such machinations?

[Sekulic] No, we have not discovered anyone, they are only possibilities. We have learned only about this trifle of about DM100, and we punished that drastically, as we did the individuals who took a regular loan from Dafiment, in order to establish complete discipline as soon as possible.

[Vucinic] Do you think that will happen? Will it go to the end?

[Sekulic] Absolutely. It has already yielded results: There has been a drastic drop in the number of people carrying money over the border in any amount. Especially in the direction of Hungary, where that was a bit more frequent.

[Vucinic] It is said that even Master Jezda carried immense amounts of his capital over the border. They say that perhaps he even used....

[Sekulic] I know, an airplane. Well, you know what I think about that. Although, to be sure, everything is possible, from what I know about business—and I think I know it well—I am almost certain that Master Jezda did not have anything at all to carry out of Yugoslavia. If he was giving 15 percent interest, and he was, then what he took from his savings depositors disappeared in the form of that interest. I think that he should have been carrying money in, not carrying it out, but he did not do that. I am convinced that all of that seemed like fraud and was fraud.

[Vucinic] The other day, from what I have heard, you confiscated (temporarily) a sizable amount of dollars even from a Belgrade politician at the border. How is it that never before has anyone found himself in a similar situation?

[Sekulic] That is not really so. Once we took Ante Markovic's salary.

[Vucinic] When Ante had already fallen from power?

[Sekulic] No, no, he was still prime minister, but in Zagreb a friend of his had picked up his salary in dinars and it was taken from him at the airport.

[Vucinic] Fine, but what about those said to have large amounts of foreign exchange outside?

[Sekulic] Well, now, you know that if they took it out with a diplomatic passport.... true, the customs officials can make an inspection even then, but usually it is not done. Really, after all, there is a kind of basic rule and ethic not to check, say, the prime minister, deputy prime minister, minister in the government....

[Vucinic] How have convoys of Mercedes automobiles and other expensive cars been brought into the country for resale? Is the Customs Administration clean even in that case?

[Sekulic] Absolutely. It is not smuggling as defined in the statutes. Anyone with the money can import them—a messenger, a worker, a manager, or a smuggler. All under the same conditions. The exchange rate used in customs transactions was very low. We insisted several times that

it be changed, but it was changed only two weeks ago, and it was done in such a way that a model was found for duty and tax to be paid in the form of administrative fees. In that way, we have put a stop to easy wealth, because if inflation continues to rage this way, those fees change every seven to 10 days. Because of the earlier regulations on the low rate of customs duties and other import charges, I think that about 2,000 more expensive vehicles were brought into the country than would otherwise have come in. That represents a shortfall of about DM100 million in the Treasury.

[Vucinic] Nothing reliable was ever published, did the alleged hijacking of Studio B's imported equipment take place, and was it done with the help of the Customs Administration?

[Sekulic] We in the Customs Administration know absolutely nothing about that. No one at the border took note of that equipment as something special. If it came, it went through like any other goods, depending on the documents that accompanied it. It makes absolutely no difference to us whether something is being imported for the First Program, Second Program, or any other program, for Studio B or for anyone, so long as it is legally covered. We do not get involved in politics, neither then nor now does that interest us if there was any meddling.

Serbia

Work of Constitutional Court Viewed

93BA0919C Belgrade POLITIKA in Serbo-Croatian 1 Apr 93 p 6

[Article by S. Ristic: "Situation in the Legal System Unsatisfactory"]

[Text] In the course of last year, the Constitutional Court of Serbia handled 520 cases, 357 from earlier years and 163 of those (616) initiated last year. Compared to 1990, when 453 cases were completed, or with 1991, when it handled 432 petitions for evaluation of constitutionality and legality, last year's output of the court, one would say, was satisfactory. But if we look at the general situation in the legal system, the grade is unsatisfactory. This is in part what was said at yesterday's press conference, which was held in the Serbian Constitutional Court in order to sum up the results of the court's performance.

In a breakdown by type of enactment contested, last year the lead went to laws (87), then regulations of the government (27), and other republic enactments (four)—general acts of business firms, institutions, and other agencies and organizations....

In deciding the specific cases, the court most frequently protected the freedoms and rights of citizens guaranteed by the Constitution and also the equality of legal entities and the freedom to engage in business and other activities.

The court was also in a position last year, said Dr. Balsa Spadijer, president of the Serbian Constitutional Court, to offer protection to the principle of division of powers proclaimed in the Constitution. That is, in several cases it turned out that the National Assembly transferred to the government of Serbia its legislative function, or the government, in the regulations which it adopted, regulated relations which should lie in the exclusive jurisdiction of the legislators.

Dr. Spadijer sees the unsatisfactory situation in the legal system in the parallel existence of the old and new systems, as well as in the slow and inconsistent creation of the new one. "We have a segmented rather than a concrete legal order," Dr. Spadijer added.

To compound the difficulty, there is a discrepancy between the enactments and the regulations. That is, laws have still not been entirely brought into conformity with the Constitution of the Republic of Serbia, and the legal order, Dr. Spadijer says, still includes laws adopted on the basis of the Constitution of the Socialist Republic of Serbia, with amendments. Further, the Constitution of the Republic of Serbia has not yet been brought into conformity with the FRY [Federal Republic of Yugoslavia] Constitution, and there are many federal laws which need to be brought into conformity with the FRY Constitution.... After the FRY Constitution took effect and the bodies of the FRY were instituted, federal laws should have been brought into conformity, but jurisdictions between the FRY and the member republics should also have been delineated. This, however, was not done. This situation resulted in a conflict of federal and republic legislation, representing a direct threat to the legal security and functioning of the legal system. "And not only that. It is difficult to work when the legal system is in a state of great disharmony," Dr. Spadijer says.

Incidentally, Dr. Spadijer added, the law-governed state means above all that social and political forces want such a state.

Was there any political influence on the court and judges in the course of last year? was the next question.

"There were no direct political influences on the order of 'Pronounce such-and-such a decision.' Since I have been president, at least, so far no one has told me what kind of decision to pronounce. And I can freely say that the influence there is thought to be is greater than it actually is," Dr. Spadijer said and added that changes in the legal system, in particular the election of judges for life, contribute to independence in the work of the court.

Criticism of the Serbian National Assembly was also heard yesterday (though it was not severe). It was said that relations between the parliament and the court have not been worked out in the very best way. For example, there have been cases when the court has requested an answer in connection with a contested law, and the Assembly has furnished it only a year later if at all. It is an encouraging fact that recently the Commission for Legislative and Legal Affairs has been able, as Judge

Miodrag Bogdanovic said, to propose to the Assembly the amendment and supplementation of a contested law, and not merely offer an opinion, as was previously the case.

The court lacks feedback on whether and how its decisions are implemented, and it therefore will in future request a reaction from the government. If necessary, it will even apply punitive procedures in cases when the enactor does not act on the decision of the Constitutional Court of Serbia. And the penalty is either a fine or six months in prison.

Bank System Reportedly Disintegrating

93BA0920B Ljubljana DNEVNIK in Slovene 10 Apr 93 p 12

[Article by Tatjana Mandic: "Saving the Serbian Way"]

[Text] After Jezdimir Vasiljevic's flight and the uproar in connection with Dafiment Bank, things have now also started to break down at other banks and the "banks" of all sorts of financial, holding, and other companies. The fate of Montenegro's St. Stefan was also suffered by Bukoviska Banja in Arandzelovac. The resort there was also bought with a lot of uproar and little money by Mr. S, as Vladimir Siski is called, a sort of holding banker who made tremendous promises, and then it turned out that words could not substitute for dollars. His widely advertised S Pannonia Commerce quickly showed its real face. The depositors in his bank got nothing from that discovery, however. There is no cash and there will not be, depositors are told by the confused and frightened employees at the bank windows. The amusement is complete if we know that "Mr. S" even found out that an important employee in his "enterprise" did not know how to calculate interest. Because of excessively high payments, he cost the bank about 17 billion dinars.

Mr. S is not giving in, however. He is issuing certificates with which depositors can make purchases in his shops in Novi Sad and elsewhere in Vojvodina in exchange for the money that he cannot return to them. Depositors are acting in accordance with the saying "Take what you can get," and are consequently buying a great deal from him. Vladismir Siska is also proving that he knows his business: he has raised prices considerably in all of S Pannonia Commerce's shops. He is thus making a great profit at the expense of the gullible depositors, and the gullible people are being left empty-handed.

Banker Given a Bath in the Nisava

Mirko Simic, director of the Nis private savings bank Evropa, was not cautious enough. Angry depositors got hold of him, on an ice-cold day threw him into the cold and almost frozen Nisava, and then locked him in a car and left him in the middle of the city.

Mrs. Ljubinka Stankovic of Nis also collected German marks and dollars from her depositors. The depositors, however, forced her to sell her property and pay as much of the debts as she could. She was still left owing several hundred thousand marks, however. When she saw that this could cost her her life, she asked the police to lock her up. She thus ensured survival in prison, where she is awaiting trial at her own request.

The lady did business with the above-mentioned dipped director Simic and his Evropa through her Pavic savings bank, and she also cooperated with the Balkan savings bank. How infinite human gullibility is is proven by the fact that the dipped Mirko Simic did business without savings passbooks, and also without any other documentation. He only issued depositors some sort of certificates without numbers, and without writing them in books. He only wrote in them that the amounts were deposited in Mirko Simic's account. He thus collected several tens of thousands of marks, since he promised depositors that he would pay them a monthly interest in foreign exchange up to 30 percent. Mrs. Stankovic and Mr. Simic did business with each other at their mere word.

After the Rabbits, Will It Be the Bears' Turn?

And here a well-known political star came in. The formerly well-known "defender of Serbian interests in Kosovo," who among other things was supposed to bring "a million people to the truth rally in Zagreb and Ljubljana," Miroslav Solevic, is, in fact, the owner of Balkan. He is also supposed to have operated without documents, for nothing. For the time being, however, these are only rumors. He himself claims that he is not guilty. He announced that he himself had lost several hundreds of thousands of marks. He says that it is a question of unprofessional operation, especially in the battle with inflation. In the beginning, some money really was collected by those who took advantage of the opportunity when they were promised "the highest foreign exchange interest in the world." To be sure, this should not be written in quotation marks, since 30 percent foreign exchange interest per month really has never been paid anywhere in the world.

Solevic is still not giving in, however. He says that his name was involved in all of this so that others could hide in the fog. He also hinted at something that aroused general interest. He said that if these matters were seriously and fully investigated, it would be shown that people had been chasing a rabbit, but had chased a bear—and not one, but several. Now in Nis, and elsewhere as well, everyone is interested in who those bears are.

The list of investments in which the above-mentioned savings banks were involved is very long: from large state enterprises and their "privatization" and "transformation," to health institutions.

The bankrupt depositors, however, are more concerned about the health of the accused than they are themselves. They are stubbornly trying to keep the "bankers" and "savings bankers" out of the hands of the law, "since it will not be possible to get money out of prison." They want them to remain free—that is the only way that they

might get their savings back. Otherwise, they are saying that a court is not even necessary, if they do not return the money. "The money or their life" is the slogan of the cheated Serbian depositors.

In all these scandals, the self-organized "committees of citizen-depositors" everywhere, in Belgrade, Novi Sad, Nis, and elsewhere, are demanding the same thing: First of all, it is necessary to pay back the small savings deposits, those for several hundred marks, and it will only be the large ones' turn later on. Those who have them, they say, also have something to live on.

[Box, p 12]

The financial system in Serbia is increasingly collapsing. That is also affecting people's mental health; psychiatrists say that recently there has been an incredible increase in the number of people who are seeking assistance for neuroses, phobias, and insomnia. The cause is known—fear of poverty. People who have used their last foreign exchange savings for survival have bet on just one card, for which they may pay dearly—they deposited their money in private banks in return for high interest.

Justice Minister Interviewed on War Against Crime

93BA0907A Belgrade INTERVJU in Serbo-Croatian 19 Mar 93 pp 16-17

[Interview with Dr. Zoran Stojanovic, professor and federal minister of justice, by Marko Lopusina; place and date not given: "I Support the War on Crime"]

[Text] Coincidence or political intention brought it about that one man from Novi Sad, professor and until recently dean of the School of Law, Dr. Zoran Stojanovic, would succeed another man from Novi Sad, Dr. Tibor Varadi, in the office of FRY minister of justice. Along with the justice portfolio, however, he also inherited some problems which the previous government of Milan Panic had not managed to solve. And they are above all the question of unifying the legal system of the third Yugoslavia and creating a new law-governed state. The minister himself, Dr. Stojanovic, easily resolved the dilemma of where to put priority.

"I was a bit subjective, as a specialist in criminal law I decided that in drafting the laws that embody the system we would give priority to the Criminal Code [KZ] of Yugoslavia. We at the federal level have yet to shape the state, and that includes forming a particular type of law-governed state. We will adopt some laws, because certain preparations have already been made for them. This applies, for example, to the constitutional law and the law on basic relations in property law as well as the law on contracts and the law on legal representation."

[Lopusina] To what extent is that legislative discrepancy between the republics and federation, i.e., in their laws, perhaps the cause of the political disorganization of the state?

[Stojanovic] Many of our political problems in the country have arisen because our laws do not fit together. One of the greatest is certainly the legal inequality of the citizens of Serbia, Montenegro, and Yugoslavia, and a second is the inefficiency of the law-governed state. That is, because there are differences in the criminal codes of the republics, there have been, for example, several persons convicted in Serbia of planning murders or voluntarily entering into homosexual relations, while in Montenegro criminal prosecution is not envisaged for such acts. And, of course, it is clear that our law-governed state cannot function if we have even three different versions of the Criminal Code: two republic codes and one federal code. That is why I am in favor of our adopting a uniform KZ as soon as possible.

[Lopusina] How did your fellow ministers from Serbia and Montenegro react to that idea?

[Stojanovic] I got the impression from the conversation we had that there is agreement among us and a readiness to cooperate in all areas, including criminal legislation. In the course of the week, we will be holding specific discussions. My feeling is that by unifying many republic laws with federal laws we could in fact "eliminate" a large number of parallel laws in the country, but also avoid many conflicts of jurisdiction between the republics and federation, which have been occurring for that reason. Only recall the case of the conflict in jurisdiction between the Serbian MUP [Ministry of Internal Affairs] and the SMUP [Federal Ministry of Internal Affairs]. I favor an optimum solution. The fewer laws there are, the better the state!

[Lopusina] Business crime is one of the biggest social problems today, and it would also seem one of the biggest political problems. Will you perhaps work out with the republic justice ministries a strategy in the fight on crime? You happen to be a scientist who specializes in business crime!

[Stojanovic] I have arranged for meetings with the justice ministers, but also with the ministers of internal affairs, and in them we will be looking at measures to combat crime in the country. It is a fact that crime has entered all the pores of our social life. It is also well-known that the crime that exists in Europe, as well as in the other countries of East Europe, has been caused above all by the disintegration of the economic and political system, and thereby the system of moral values as well. This is a kind of social malady which, however, has its specific features in our case.

[Lopusina] To what are you referring, perhaps the organized form of business crime which has resulted even in the creation of a true Yugoslav Mafia!

[Stojanovic] Yes. At one time, I was among the first to say in public that organized crime existed in the SFRY. For ideological reasons, however, because it was felt that crime of the mafioso type could not exist under socialism, my scientific thesis was not accepted at that time. The first specific feature of this kind of crime, then,

is that organized business crime existed in our country even earlier, but it was not obvious. More accurately, it was concealed from the public. The second specific feature is that this crime has grown to such an extent that a close tie-up has occurred between criminals and members of the higher strata of society, including members of the political elite. This is what has made this type of crime more noticeable, but also more dangerous, because organized crime has managed to infiltrate the sphere of economics and politics.

[Lopusina] Can organized crime in the FRY threaten that political and economic elite?

[Stojanovic] It is difficult to say here what is the cause and what is the consequence, that is, who is influencing whom to what extent, because there is no organized crime without the cooperation of that elite and the government structure itself. The Mafia is dangerous both for the elite and for society. It wants to rule by its own laws of the street and violence, and that can destroy the very tissue of the Yugoslav state.

[Lopusina] Now that Presidents Milosevic and Cosic have spoken about the need to fight crime, does this mean that they have become aware of that danger to the government itself, to the state?

[Stojanovic] The Socialist Party of Serbia [SPS], as the leading and incumbent party, has certainly felt itself threatened, and there is thereby a threat to its system of power as well. An ineffective showdown with organized crime could result not only in the fall of the incumbent party and its system, but also complete social anomie. We are in a situation in which new sanctions are threatened, in which there is a limitation on material goods, in which the wave of poverty is spreading, and the citizens are becoming afraid of people who get rich quick through crime. As a society, we are already in a state of emergency, because crime has crossed the threshold of what people and political parties and society, and indeed the state itself, can stand. The main problem, now, is how to combat the crime of the powerful, i.e., how to invoke criminal laws against those who are obligated to enforce them. Only a society that has not sunk so deep into crime can find the possibilities for dealing with its own underground. I support a "war" on crime, and that means measures taken toward certain of our former ministers. But I am not for a "war" at any price, because that is fraught with a much greater danger.

[Lopusina] Viewed from the professional standpoint, how was the action conducted against Sava Vlajkovic and Velimir Mihajlovic? And will that action broaden to include certain other members of our political elite?

[Stojanovic] The action being taken against these ministers is quite proper from the legal standpoint. That is a good sign, especially if that action is only the beginning of a broader fight against crime. The list of those indicted, as is being announced, will probably be extended. That does not mean that it will include any more former ministers, it may be that certain heads of firms will be included. I would merely remind you that here in Yugoslavia there is a strong tie between the socialized and private sectors. And if, say, the socialized sector were abolished, there would be no private business and organized crime in it at all, because that sector would go bankrupt.

[Lopusina] You recently warned, however, that a war on crime also has its bad aspects.

[Stojanovic] People usually believe that crime can be eradicated altogether. Experience in the United States and West Europe has shown that this is impossible. Crime can only be beaten back to tolerable limits and thereby put under direct control. It has also been shown in practice that committing stronger police forces in the fight against the Mafia can have the consequence of a rise in general social repression and creation of a police state instead of a law-governed state. In such cases, the law would not help us very much. The rights and freedoms of citizens who have nothing to do with committing crime could be threatened under the cloak of that drive. That is why I am advocating the rule of law and the most direct possible involvement of our justice ministries in that campaign!

[Lopusina] How do you interpret the fact that the Serbian SDB [State Security Service] is today the principal body detecting crime in the business world?

[Stojanovic] The involvement of the SDB in the trial against Sava Vlajkovic and Velimir Mihajlovic is not unlawful and can be viewed in light of the knowledge that certain types of business crime can truly threaten state security proper. However, there are certain methods of detecting criminals in that police department which can be used only with approval of a court. Otherwise, they are illegal. The reference is to secret electronic surveillance, taping and eavesdropping, as well as the involvement of a specific agent-provocateur. But use of an agent-provocateur is punishable in our country as enticement to commit a crime, i.e., the agent is treated as an accomplice.

[Lopusina] Has our police been using those methods?

[Stojanovic] On the basis of certain judicial documents, I have seen for myself that some of those methods, including the use of an agent-provocateur, were used in the early eighties. However, the public knows little about those cases. These methods are mainly used in the world in connection with the most serious forms of crime.

[Lopusina] As Yugoslavia's minister of justice, you have the right to sign requests for extradition of criminals who have fled our country. What are the chances, for example, that the state of Yugoslavia will extradite Jezdimir Vasiljevic should he be indicted?

[Stojanovic] The chances of extraditing our people from Israel are minimal, because Yugoslavia has not signed an international treaty with that country on extradition of indicted persons. We have such treaties with a large

number of states. From the territory of the SFRY, last year about 280 arrest warrants were cleared through our ministry, and now in the FRY we have 150. Most of the requests for extradition have been sent to Germany. In most cases, these requests have been met. We should only emphasize that extradition usually concerns perpetrators of property crimes and crimes against life and person.

[Lopusina] The opposition has been saying rather often that there has been political prosecution even since 1990, indeed even today. What defense do you have against that criticism?

[Stojanovic] The year 1990 was chosen because that is when the crime of thought was abolished in Yugoslavia. I believe that the abuse of political rights is possible in all systems, including our own, but I have no evidence that there has been judicial political prosecution in the third Yugoslavia. As for criticism, I am ready to take it. The minister of justice holds a public political office. Insofar as is possible, however, I will avoid coming under the influence of the needs of day-to-day politics and thereby the influence of the parties themselves, because I have more trust in the longevity of laws written by professionals, i.e., by legal experts, than by politicians.

Macedonia

Sanctions Could Cause $2 Billion in Damage

AU0305172293 Skopje NOVA MAKEDONIJA in Macedonian 22 Apr 93 p 3

[S.N. report: "$2 Billion Damage"]

[Excerpts] The tightening of the embargo against the FRY, which was recently introduced by the Security Council and sanctioned through the latest Resolution 820 that will take effect on 26 April, means a total isolation of our neighbor, although Macedonia will also suffer irreparable damage. The damage will be especially great because the sanctions prohibit the transportation of livestock and other products through Serbia to our country. The entire Macedonian economy will suffer unforeseeable consequences.

The new Resolution 820 of the UN Committee for Sanctions will also include the previously adopted sanctions, and the punishment will now be much more rigorous. This was stated by Deputy Prime Minister Jovan Andov in a statement for NOVA MAKEDONIJA. This resolution, which is preventing the rail, road, and air traffic going through the FRY to other countries, will represent a serious blow to our economy. [passage omitted]

According to initial estimates, and analyses will probably confirm this, the Macedonian economy will suffer damages of $1.5 to $2 billion this year because of the embargo. [passage omitted]

Montenegro

Possible 'Secession' From Serbia Discussed

AU0405075693 Podgorica MONITOR in Serbo-Croatian 23 Apr 93 pp 8,9

[Article by Miodrag Vukmanovic: "Secession"]

[Text] Will Montenegro "secede" from the Federal Republic of Yugoslavia? This question with an alarming overtone can be heard more and more often these days, which is psycholocigally very interesting because there is no concrete cause for it. Admittedly, the statements of some Montenegrin politicians could have lead to this dilemma because, in their opinion, the new economic sanctions could place Montenegro in an impossible position, and this could cause it to reconsider its present status. Many people saw in these statements support for the Vance-Owen plan. These announcements of an autonomous direction, wrapped in ambiguous formulations of the official Montenegrin politics, do not deserve more attention than their real importance warrants. Unfortunately, a large number of people in Montenegro see these ambiguities as a diplomatic skill. To remain mentally alert, let us remember that these were the people who stubbornly insisted on resigning from power if the answer in the referendum about entering the federation with Serbia had been negative.

Janissaries

In whose interest would they conduct a new referendum, or by what right would they stay in power in the event that the majority of the citizens of Montenegro decide to have an independent and sovereign Montenegro? Probably because of the things they have in the meantime done for the affirmation and prosperity of Montenegro. Or, perhaps, because they have come to new conclusions concerning their ethnic, or, better said, their ethical origins? The fact that the people could place their trust in them also in an independent Montenegro is no security in these hungry and unstable times.

There is only one strong reason that would make the Montenegrin leaders show political resistance to Serbian hegemony; that would happen in the event their positions are in danger. Even this would not be a strong enough reason, if they obtain better positions in Belgrade. Dedinje has always greeted the Montenegrins loyal to Serbia with outstretched arms. The only thing the Serbs must do is to be able to endure their loudness and boasting and in return they can send them to destroy the Njegos [Montenegrin poet and statesman] mausoleum on Lovcen [mountain in Montenegro]. The Montenegrin janissaries in Belgrade go from one meeting to another, from one cafe to the next, from one TV show to the next, showing their discontent with any signal of the Montenegrin self- consciousness and threatening the separatists with "a civil war," proving in this way the splendor of their democratic and patriotic options.

The notion "secession" reveals a Serbocentric attitude toward the problem it relates to. A smaller part can secede from a unit, from the base, that is to say a piece can secede from the whole. In this case, secession does not mean two different physical dimensions, but two unequal political entities. Montenegro cannot secede from Serbia because it is not a part of Serbia. Only the quasi federal agreement by which the international legal fiction called "The Federal Republic of Yugoslavia" was established can be dissolved. For the dissolution of this agreement, which was practically signed by the respective political parties, no referendum is necessary, because the other federal unit, the Serbian citizens, have not voted for this union. In other words, only a piece of legal terminology would be abolished in this case, by which three paramilitary administrations are being kept in power, ruining their two peoples.

Disregarding the fact that Serbia is bigger and has more inhabitants, which does not play a role in international legal relations, there is no other reason that Montenegrins should have fewer rights in their independent state than Serbs. Montenegro has a longer tradition and continuity as a state, a longer period of factual independence, and both states were internationally recognized at the same time. If we consider the fact that Yugoslavia does not exist any more, what does the story about "secession" mean?

Conformity

Many people in Montenegro, especially the opposition, think that only the ruling party can make Montenegro a sovereign and independent state because of the large number of its supporters. The leaders of the ruling party are now allegedly aware of the fact that Montenegro must achieve independence and they pretend to be working on it—secretly, but very intelligently—to avoid the anger of the uncontrolled Yugoslav Army and radical greater-Serbian elements. One kind of intellectual in particular is taken in by the story that Montenegro could achieve independence by political wisdom, unlike in the past when it always had to fight with weapons for its rights. In this way they justify their conformity and sluggishness. Montenegro can achieve its independence only with the help of free-thinkers who feel that independence is necessary. Possible separatists can also be found among DPS [the ruling Democratic Party of Socialists] supporters, but the ideological fear of inevitable reforms still binds them to the inarticulate ruling party policy and the state budget. They can also be found among the supporters of the People's Party [pro-Serbian party], but it must be said that the Serbian nationality only means anticommunism for them. They are even ashamed and afraid of their original orientation. Unless important events break the process of their civilization, over 70 percent of them will secretly become pro-Montenegrin.

Montenegrins Dissatisfied With MUP Investigation

93BA0919A Belgrade VREME in Serbo-Croatian 5 Apr 93 pp 23-24

[Article by Velizar Brajovic: "Montenegro: A Head in the Sand"]

[Text] On four occasions, the foreign minister has already informed the public about the fate of passengers kidnapped from a train, about the citizens of Bukovica, some of whom have already been returned from Cajnice, so that there is no need whatsoever to do this again today. Refugees from Albania quite voluntarily, without any coercion whatsoever, have gone to Kosovo or have returned to Albania, and thus their problem has been solved. It is not in the jurisdiction of the Montenegrin Assembly to concern itself with the problems of transformation of the Army of Yugoslavia [VJ] or ethnic cleansing of its ranks, nor with the decision of the federal government to establish visas for citizens of European and other countries....

This comment from Mr. Zoran Zizic, Montenegrin deputy prime minister, asking to put these problems on the agenda of a session of the Montenegrin parliament to be acted on in emergency procedure caused one deputy to let out a shout that resounded through the chamber: "Put your head in the sand!" Following a three-hour debate of the agenda, none of the additional nine points proposed were included, with the result that debate was opened concerning these problems in the corridors of the Montenegrin Assembly, a debate confirming what has been passed on by word of mouth for days in Montenegro.

Silence

The public's dissatisfaction with the report so far on the fate of the passengers kidnapped from the train was pacified by the assurance of the top leadership of the Montenegrin government that more extensive debate and more detailed information should not be sought, above all on humanitarian grounds, that is, on behalf of the security of the hostages. The state of Montenegro, it was announced, has made every effort to secure the release of the passengers, but there is no new information on their fate, except what has been obtained by private investigations. Similar private investigations led to the knowledge that the kidnapped inhabitants of Sjeverin were murdered in Visegradska Banja. Now, however, they say that two weeks ago seven kidnapped passengers were still in Foca. To be specific, one of those kidnapped is the nephew of a member of the Serbian Radical Party [SRS] from Bar, a fighting man in the Army of the Serbian Republic [RS]. He has attempted to obtain his nephew's release, but his path has been blocked by the demand that he put up 10,000 German marks [DM] in ransom. It is not known at present whether the transaction went through, nor whether any of the hostages are still alive, but neither is there belief in the government's assurance that it does not know who the kidnappers were.

The dissatisfaction is compounded by the fact that the Montenegrin police still have not released details and the number of people kidnapped from the village Bukovica. Two weeks ago, Minister Nikola Pejakovic announced triumphantly that six people—out of the 12 that were kidnapped, according to his information—had already been returned to Pljevlja. The public, however, was denied the information that of those six, one man and five women, the youngest was 62 and the oldest 81. The people who returned said that 95-year-old Latif Bungur was killed during the kidnapping. Minister Pejakovic, however, said that another five or six persons would be returned in a day or two, but after "criminal processing" in Cajnice. He did not say that the persons held in Cajnice for "criminal processing" were Ramiza Bungur (age 58), Marko Bungur (age 16), Zlatija Bungur (age 25), and two children aged five and three. At the same time, Minister Pejakovic publicly stated that it was not a question of a kidnapping of several dozens of people (40-70), but at the same time Mr. Bozidar Vucurovic reported in last week's convention of the Serbian Radical Party in Niksic that another 38 Muslims from Pljevlja who had been captured were being held in prison.

No one has explained publicly how those persons were kidnapped from the territory of Montenegro, in spite of units of the Army of the FRY [Federal Republic of Yugoslavia] at the nearby border and units of the Montenegrin police. In Pljevlja, however, there is no dilemma: In a conversation with a delegation from the CSCE it was reported that the inhabitants of Bukovica were taken away by members of the Montenegrin police; participants in that conversation included Momcilo Bojovic, the mayor of Pljevlja, representatives of the incumbent DPS [Democratic Party of Socialists], the SRS, the SDA [Democratic Action Party], and representatives of the fighting men, security entities, and one policeman from Bukovica. There is no point in commenting on who derives more benefit from silence concerning these events; just last Tuesday the public prosecutor of Montenegro, the president of the Supreme Court, the justice minister, and the deputy minister of internal affairs offered full support and justification of the officially communicated figures over a newsmaker program on Montenegrin TV.

Refugees

The statement of those gentlemendd)the positions of Mr. Zoran Zizic, deputy prime minister, concerning the fate of the refugees from Albania as well. They all say that those refugees are of Montenegrin nationality and that they voluntarily went to Kosovo (Decani) or returned to Albania, and that their status was regulated in accordance with law. Then the other day there arrived from Vraka the message of Ilija Stajkic, who instead of going forcibly to Kosovo, decided to return "willingly" to Albania. "We have received more mistreatment from the Montenegrin police during these two years than from the Albanian police during four decades." About 500-600 refugees who had returned have moved back into their houses in Albania without any problems whatsoever. None of the returnees conceals this, nor that they are ashamed to face the local Albanians who reproached them because of their noisy departure and quest for promised prosperity.

Different information is coming in from Decani. The refugees are dissatisfied with their accommodations and are making public statements that they are there against their will. Even Zeljko "Arkan" Raznatovic, who has been protesting this solution of the problem of refugees, has shown compassion for their fate. Nor does the mayor of Pec conceal his satisfaction, saying that this has considerably improved the ethnic composition.

It has been discovered in connection with the refugees that they are the victims of the intention of certain centers in the Yugoslavia of that time to have the world draw the parallel with Kosovo and to show that thousands of citizens of Montenegrin and Serbian nationality must flee from the undemocratic regime of Ramiz Alija. The very act of fleeing was motivated by promises that houses and farms in Montenegro were waiting for them all, but when they headed for the Montenegrin border in large numbers, they encountered the barricades of the Albanian police. Those barricades were removed as soon as Mr. Slobodan Milosevic sent a protest note to President Ramiz Alija, demanding that their exodus to Yugoslavia not be prevented. However, Ramiz Alija and his regime soon fell, and after abundant aid from humanitarian organizations, the refugees began to experience difficult days in their accommodations between prison walls and in tent cities which collapsed under the burden of some 10 centimeters of snow. The refugees immediately noted that those who had incited them to come were not with them, but had gotten good jobs and indeed even employment in the republic bureau for advancement of education in Montenegro. These benefactors were not on the list for the departure to Kosovo, nor were they in the refugee camps. Which accounts for their dissatisfaction with the attitude of the Montenegrin authorities toward them, i.e., with the discrimination against the approximately 70,000 refugees who have reached Montenegro from war-torn areas. No one is sending those refugees to Kosovo, but, on the contrary, many are getting jobs, and construction has already begun on a settlement for them using solid materials.

The Montenegrin government is publicly admitting that the Assembly is not competent to debate transformation of the Army of Yugoslavia. Dragisa Burzan, deputy of the Social Democratic Party of Reformists, has been persistent in arguing that that chamber must concern itself with the issue of ethnic cleansing of the army, "because this is being done on the territory of Montenegro." Mr. Burzan had in his hands order "SP No. 311-3," dated 22 February 1993, which was signed by Milorad Obradovic on behalf of the command of the Podgorica Corps. Under that order, all persons born outside the

territory of the FRY, except persons of Serbian, Montenegrin, and Macedonian nationality, and those who "in their professional, patriotic, work, and other (moral) characteristics and behavior do not meet the criteria for professional personnel of the Army of Yugoslavia regardless of nationality and place of birth," are to be urgently discharged from the regular service after their personal weapons are confiscated.

After that motion was rejected, the news went through the Assembly corridors to the effect that President Bulatovic had supposedly halted execution of that order, but some people from the top level of government said they did not know about such an order and that they would like to see it with their own eyes, a request that was granted after the identifying details were removed from the order. That order is being directly associated with the hijacking of the passengers and the kidnapping in Bukovica.

Kosovo

Reporter's Fact-Finding Trip in Kosovo

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[Article by Ivan Radovanovic: "The Cradle Is Being Rocked"]

[Text] The train to Kosovo Polje is an utter relic, but the passengers do not object to that. It departs only sometimes, when there is fuel for the locomotives. When it does go, it stops every 100 meters because of the bad track and God knows what else. Then people take advantage of the opportunity, open the window and spit. It is dark outside, in Kosovo it is also dark and the average wage is 15 German marks [DM].

It takes the train eight or nine hours to cover the precisely 399 km from Belgrade to Kosovo Polje. No one comes out to welcome it, and one knows precisely that he is in Kosovo, where pretty much everything has gone to ruin, from politics to the economy, and in which people live what is technically called a "parallel life."

Serbs and Albanians, each to themselves, have their own schools, their own shops, and their own day nurseries, their own theaters, their own governments, their own outpatient clinics, their own evening promenades and academy of sciences.... Each says the word "his own" in his own language, and by and large people manage "not to mix." They are together only at the open-air market (better-supplied than those in Belgrade), and when they die, their relatives put up the death notices one over the other or one beside the other, obviously not asking them about it.

The Serbs in Kosovo are mainly left the "socialized sector," and they do not seem the least happy about it, judging at least by the empty stores and gloomy faces of those employed "by the state." The Albanians, of whom Ranko Babic, vice president of the Serbian Radical Party here, says that they say "that we suppress them politically, when actually we give them economic incentives," really hold the bulk of private business in Kosovo. More importantly, they know how to do it, their stores are incredibly well-supplied and they are very friendly, even when they are doing business with some Serb who has lost his way.

Parallel Life

Some people use the expression "strange" in referring to that whole phenomenon of parallel living. In the Hasan Pristina Secondary Economic School, which is located in two private houses in Vranjevac and which is both public and secret (anyone who wants to can attend, but officially it is illegal), a journalist from THE NEW YORK TIMES was utterly unable to understand that the children here never had gone to school together (in the same classroom), that everyone did not speak "Yugoslav," and that they were not, above all, Yugoslavs and only afterward Albanians. The teachers, whose stern faces, bad suits, and strong convictions suggest the prewar revolutionary teachers, had to explain it all to him in great detail, and perhaps he finally understood this entire entangled situation. The expression "strange" nevertheless remained in effect.

The Hasan Pristina School is one of 19 elementary and 53 secondary Albanian schools which are in private homes. Prof. Fehmi Agani, the second man in the Democratic Alliance of Kosovo [DSK], says they are attended by about 100,000 pupils and that at one time, when the Albanian schools were closed, more than 2,000 new places for schools were found rather quickly.

These days, the pupils and teachers go to them quite openly, and Redzep Osmani, president of Naim Praseri, the Alliance of Albanian Teachers—an organization which brings together no fewer than 30,000 Albanian teachers in Kosovo, Macedonia, Montenegro, and Serbia—says that that is how it will be in the future as well. "We have no reason either to hide or to be afraid."

Because in a parallel life there are also parallel versions, we heard from Tomislav Sekulic, according to many the most influential representative of the Serbian side, that the Albanians can talk like that because "no one is pursuing them anywhere concerning those schools," and from Milan Laketic, president of the Democratic Party Committee, that this is a question of "pure use of the children for political purposes."

Be that as it may, the Hasan Pristina School is reached by a bad road through Vranjevac, which is all red because of the roofs and the facades of buildings which have not been whitewashed. The school is hidden behind a high wall (everything else here is hidden behind a wall for that matter) and an iron gate. When one gets beyond that with the help of a guide, he sees an immense muddy yard, several nice houses, and one that is dilapidated. The dilapidated one is used by the teachers as a kind of assembly hall, and classes are held in two of the four nice

houses. They explained to us that all that was built for seven brothers, and then "those things" happened, and the brothers never moved in. Little chicks walk around in front of the houses, there is a smell of manure (the stables are immediately alongside the houses), and there were also some power shovels, piles of wire, and shelves with some 50 pairs of the pupils' shoes.

Every room in the house is a classroom with the class designation written in chalk on the door. The classrooms are small, some 10 square meters, and stuffy, the walls are flaking, the blackboard is on the floor, and there is a bare light bulb hanging from a thin cord. There are no benches at all, the pupils sit squeezed close to one another, and they are all with their backs to the wall, the only chair is reserved for the teacher, they hold their books and notebooks on their knees. There is a tin heater in the corner.

The class which we visited had 28 pupils (the entire school has 1,550). One of them, laughing, says that they are studying "law and democracy." All of them together say that this is their country, their place, and they have nowhere to go. They are certain they will win, that all of them will go to the university when they finish school (the universities are also in private homes), that when they finish all that the whole story will have changed, and that they like this school, because there is no better.

What the children are learning in the public-secret school represents the greatest problem in the negotiations so far between the Serbs and Albanians. The Albanians are requesting that the children return to the legal schools unconditionally, but the Serbs want the Albanians first to accept government syllabi. Redzep Osmani says that that kind of behavior on the part of the Serbs suits the Albanians (Professor Agani clarifies this by saying that the exclusive Serbian policy gives a reason and justification to the Albanian demands for independence), while on the other side Ranko Babic, Milan Laketic, and representatives of the official Serbian authorities believe that Albanian children will be able to go to schools when the Albanian syllabi do not negate the existence of Yugoslavia and when Serbia is not represented as an occupier country.

The Secrets of the Grand Hotel

When we asked instructors in the Hasan Pristina School what they were teaching the children, they replied that the syllabi for literature, the Albanian language, music, history, and geography had been changed (Osmani says that it is only that they "no longer sing songs about the revolution, Tito, and socialism"). Asked "whether it is true that Nobel Prize winner Ivo Andric had been dropped from the syllabus," they did not answer directly, but they said that Andric and Cosic had been translated into Albanian and that Andric had drawn up plans for driving Albanians out of Kosovo.

Albanian teachers, incidentally, earn between DM30 and DM40 a month. The "illegals" were not paid for the first two years, but then a system of "solidarity" took on life (Serbs say that there is also a kind of parallel financial policy), so that, in Osmani's words, there are now opstina commissions for financing and committees for financing the teachers.

"We are not interested in whether the government recognizes our diplomas, we are creating personnel for ourselves anyway," one teacher says, using that to conclude her story about diplomas and institutionalization of instruction (Osmani adds that Albanian diplomas are recognized "even abroad"). The teachers in the Hasan Pristina School have quite clear political views.

Their assembly hall is somewhat better furnished than the classrooms, there are some benches along the walls and a small table in the middle of the room. By contrast with the classrooms, the walls here are decorated with class schedules, pictures of Ibrahim Rugova and Skenderbeg, other "historic figures," and flags, red with a black two-headed eagle.

Views are communicated without any restraint. "What do you advocate?" "An independent and sovereign Kosovo." "Is unification with Albania your ideal?" "Yes (this answer was accompanied by smiles and hands were raised with two fingers extended), but we know that the international committee would not allow that because of the principle of unchangeable borders." "But you are nevertheless in favor of that?" "Yes, just like the two Germanys united."

At the end of the visit, they put our names down in some book, "for the archives" (according to procedure, they themselves signed alongside the name), and they amiably escorted us out. The green gate closed discretely, and Vranjevac looked quite ordinary once again. Along the way, we passed a public-secret outpatient clinic.

"Your security here is better than in Belgrade," says Ranko Babic, while we were sitting in the lobby of the Grand Hotel, and the Grand is really secure. In it, there are police, financial police (our visit was during the "action" of the financial police, which, we were able to learn, was "lukewarm" and "soft" in the words of the police themselves), and there were also people belonging to Zeljko "Arkan" Raznatovic, recognizable from their characteristic haircuts (all were shorn almost to the scalp). The entire atmosphere is obviously not to the liking of the Albanians, and they do not come to the hotel (many probably could not even if they wanted). Inside, two drinks are ordered by raising the thumb and index finger; certainly not the two fingers which might recall the Latin V.

Mitsubishi Pajero jeeps are always parked in front of the Grand, and when Raznatovic is here in the hotel, the motors of those jeeps are always running, and it all seems like in some film. When he leaves, there is no longer that hum in front of the Grand.

The hotel is at the center of the city, and the center of the city is no longer what it was. At one time, there was a promenade, the main street was closed to transportation,

perhaps even that is "strange" to some people, the Albanians used one side of the promenade, the Serbs the other. When the main street was opened to traffic two years ago, the Albanians perceived this as a ban on assembly in the center (for a time they even boycotted passage through it), and now they have their promenade on the outskirts. That is why today mainly Serbian is heard in the center of Pristina.

The Force of a Document

But when one turns a bit left or right, parallel territory begins with predominantly Albanian language and all the institutions necessary to implement a policy whose clear goal is an independent Kosovo (Professor Agani says that this is not the maximum demand of the Albanian side, "the maximum demand is unification with Albania and a state that would include all Albanians from the territory of the former Yugoslavia"). Most important is certainly the disreputable-looking building of the Kosovo Writers Association, which houses the headquarters of Rugova's Democratic Alliance of Kosovo. The little house where the political strategy was devised which has caused the Serbian side so much trouble is always open, and there is no visible security. Milan Laketic even believes that it is unnecessary, because, he thinks, "Rugova is the best-protected man in Kosovo, because he is protected by the Serbian police."

The only thing indicating that this is a serious political party is that good cars are parked in front of the crooked little house and the image of activists is obviously prescribed. They all wear elegant suits, they are ready to talk and answer all questions at any hour of the day. Tomislav Sekulic believes that we were lucky to have come from VREME; "otherwise, they would not have been so nice to you." There is another datum that indicates that that argument is perhaps not erroneous: Aside from Sekulic, none of the Serbian officials was overly enthusiastic to meet with us.

The Albanians are full of data and want to communicate it (it is the other way around with the Serbs—they neither have information, nor do they want to supply it, even though Ranko Babic says that the difference between the two peoples lies in the story about the man who arrived in an Albanian village, asked for someone's house, and they all said they did not know where it was, and when he does the same thing in a Serbian village, he even learns what the man he is asking for had for lunch the day before).

One of the Albanian institutions best-supplied with documents is the Human Rights Committee, which is headed by Adem Demaci. Hidaet Hiseni, one of Demaci's deputies, says that the committee is not a political organization, but it is clear (even from the fact that we met Mr. Hiseni several times in the offices of the DSK) that this organization is serving the general objective.

When we entered the committee premises (this building is also "hidden" behind a large gate and wall), the first thing we noticed was the different appearance of the activists—they were all dressed nondescriptly, mainly in cheap sweaters. When we were told that only one of the five people we met there had not been in prison (the rest had done 10, seven, five, ... years), it all became clearer.

Hiseni, who did his time in Nis, Pozarevac, Belgrade, and Pristina from 1981 until 10 years later, said: "We are all in prison here. That is something the Serbs should realize."

Incidentally, even now he has kept many Serbian friends "from prison," because the people there knew that they were "in the same position" and because the Serbs in prison helped him, prevented the guards from beating him, brought him magazines and fruit. "I am grateful to them for life," says Mr. Hiseni.

After that, we were given a thick book of photographs of Albanians that were victimized last year in Pec. These were photographs of women who had been beaten in the chest, a little girl whose eye had been torn out, men and women looking out from eyes red with beating, a great number of backs mottled with bruises.... Mr. Hiseni issued a stream of figures. "Since 1981, nine minors have been murdered, last year 20 Albanians were killed, more than 2,500 have been punished under the criminal law in the last 10 years, more than 600,000 people have been processed by the police in various ways...." Then we received pictures of mutilated corpses, more beaten children, and after a time we wanted to get away from there as soon as possible. Mr. Hiseni simply spews forth. In the end, he said that it was unpleasant for him to have to talk to us about that. It was unpleasant for us as well, but before our departure we had another meeting.

A young man came into the committee; we were told that he is a new case. First, he dictated his statement, then he lifted his sweater and showed traces of blows (not excessively visible, at least not to us laymen), he took off his shoe and sock, the big toe and several other toes were completely blue. All of that is immediately photographed, the doctor also has a physician's certificate from one of the public-secret outpatient clinics. A new file is made up.

In a conversation with us, the lad said that he had fallen afoul of the police, that he became afraid, began to run, they caught him, knocked him down, struck him, "forced me to lick the Yugo emblem on a car," then they took him to the police, beat him, "forced me to kiss Milosevic's picture," and after two hours let him go. He said that he was studying medicine and living off the sale of cigarettes on the black market. Asked why he ran from the police, he shrugged his shoulders and said: "I became afraid." The question as to why exactly he became afraid remained unanswered. In any case, these days in Pristina the police have been clearing the streets of cigarette sellers. The next day, we met the lad on the street, he was amiable, the girl with him asked him "Who are these people speaking Serbian?"

Tomislav Sekulic says that the Albanians cannot prove that they are being subjected to terror and that numerous delegations that have come for that reason have left without getting the job done. We do not know if that is true, just as we do not know how accurate the figures are that we obtained in the committee (the Serbian side, in any case, either has no figures to the contrary or does not offer them), but if the delegations have seen the same thing we saw, they must at least have felt disgust.

It is interesting that all the participants in that Kosovo parallel make-believe are convinced that in the end it will be just the way they want it. Sekulic says that Serbia cannot lose Kosovo ("this is the cradle, there are many people from here who have left, but have good memories"). Agani, on the other hand, thinks that Kosovo will soon become independent, because "even the international community is becoming aware that a solution within the framework of Yugoslavia is not a solution." Both of them, it is true, admit that both sides are losing in the whole story, but the loss is obviously not enough to change things.

The relic of a train no longer goes from Kosovo to Belgrade, because there is no fuel, we return in a dirty bus.